

# City Council Work Session

December 3, 2007  
5:30 PM  
Community Center

## ATTENDANCE:

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

## ADJOURN TIME: 9:00 p.m.

## Agenda

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

- Shelly Kleen said she wanted to yield her minute to Kevin Nelson.
- Lori Nelson, 4235 Bruce Avenue, said she wanted to yield her minute to Kevin Nelson, because she had a fear of public speaking.
- Kevin Nelson, 4235 Bruce Avenue, said the tax increment district used draft minutes in an ordinance. He said on page 7, the draft plan stated acquisition of property may not be obtained through private property for urban renewal, or entered into a development agreement.
- Mark Hilario said he was representing Rich Hageman, and said he had sent a letter to City Attorney Brent Brooks, concerning the sign ordinance. He said he felt it was too restrictive.
- Paul Cox, 2015 Azalea Lane, said he was in favor of the sign ad hoc committee's recommendation and endorsed its adoption.

<b>TOPIC #2</b>	<b><i>Board &amp; Commission Reports</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- None

<b>TOPIC #3</b>	<b>Senator Kim Gillian &amp; Representative Wanda Grinde</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- Kim Gillan introduced Dan Bucks, Department of Revenue Director.
- Councilmember Veis talked about the three issues with legislators regarding local option tax, and said he appreciated Senator Gillan's efforts. He asked the Representatives to talk with Council about possible prospects.
- Ms. Grinde said there were two bills last session; Ms. Gillan's and the Montana Leagues of Cities and Towns that included revenue sharing. She said she supported both of them. She said you needed all urban areas on board and their support, but could present a more united front in the Legislature, as rural areas would still be opposed if it didn't contain revenue sharing.
- Ms. Gillan said she agreed with Ms. Grinde and thought the Chamber was studying it again and trying to decide whether to proceed. She said rural folks would oppose it unless revenue sharing was included. She said Missoula and Great Falls supported the taxes, but neither of them very vigorously. She said Montana taxpayers didn't support local option because they wanted statewide sales tax.
- Ms. Grinde said another tax bill came from the Missoula area, which was not supported by the House Tax Committee.
- Jani McCall said she agreed that the Tax Committee had never supported local option tax, and killed the bills each session.
- Councilmember Boyer said Ms. Gillan was scheduled to sit on a panel at the MLCT but couldn't attend. She said small cities supported it too, because they were in tough financial shape.
- Councilmember Ruegamer said he thought somewhere the message was getting lost between towns and Legislators. He said, for example, Belgrade could use the program, but was not receiving it.
- Ms. Gillan said they had narrowed down the tax applications by tying it with resorts, for food and beverage sales.
- Councilmember Veis stated that Senator Gephart said when Essman introduced statewide tax; he dropped support for the local tax, and asked how large a hurdle it was.
- Ms. Gillan said it was an excuse and not the real reason.
- Ms. Grinde said she agreed.
- Councilmember Ulledalen said many people were not paying income tax and that Montana had property tax rebates for low-income seniors. He said if we wanted a statewide tax reform, we were never going to get it because lower income residents were pitted against business interests that needed infrastructure and growth.
- Mr. Bucks said the structure of income tax was criticized by tax experts because tax started at a lower income level than most state income taxes. He said, for example, people earning below \$45000/yr., received very little relief, but the \$15,000 - \$20,000 income level received a lot.
- Councilmember Boyer said she had lived in Billings for 32 years and had heard every year that we were going to have major tax reforms; however, it never happened.

- Councilmember Ruegamer said Wyoming had both County and statewide tax, and said one had nothing to do with another. He felt we didn't need to hold off local option tax to eventually get to statewide tax.
- Councilmember Gaghen asked what other approach could be taken by the cities with Legislature, and said that many people didn't recognize the crisis. She said she had worked on a local revenue board for two years and none of the options they came up with were acceptable to the people.
- Ms. Gillan said no one would touch a local option gas tax now.
- Mr. Bucks said other states had local option sales taxes, local option income taxes, telecommunication taxes, resort tax, and gas tax. He said another source was impact fees on new development, and didn't think there were any really innovative tax schemes.
- Mayor Tussing said he was not opposed to statewide reform, but was impatient with using it as an excuse.
- Jani McCall thanked Ms. Gillan for her work at the last session.
- Councilmember Veis commented on the tax increment financing, and said the City was satisfied with them, and said downtown was a good example of how they were working.
- Ms. Gillan said she hadn't followed it since session ended and said there were disagreements over whether school taxes should be included.
- Ms. Grinde said she generally supported them because she had seen their successes. She thought the City of Billings should put some information together, a list of projects, in order to spread the word about their successes.
- Ms. Gillan said people who don't live in urban areas don't really understand them.
- Mayor Tussing asked what educational process they could use, and felt it wasn't as controversial as the resort tax and said it doesn't hurt those that choose to not use it.
- Ms. Gillan said the argument against TIF's was that they take money away from the schools.
- Mr. Bucks said they were going to meet tomorrow with local government representatives to discuss rules regarding statewide conformity, and said as TIF's became more utilized across the state, they got more complicated. He said there were questions about whether the laws were being consistently applied. The questions were regarding the base year, locals meeting standards, etc. He said they wanted to work with locals with the goal of preserving the TIF tool for the future. He said he and others in state government understood that cities had trouble financing infrastructure, and that TIF was one of the only tools available. Mr. Bucks said the larger picture was that we had a statewide property tax levy and rural folks thought that cities were robbing funds from education at their discretion, and that leaded to rural and urban tension. He said the indirect impact was on the general fund, because the state had to fill the bucket that was short because TIDs/TIF's do not allow the full value to benefit the schools.
- Councilmember Ulledalen said it was not the intent to let the older areas rot, and felt it helped to reduce sprawl.
- Mr. Bucks said he was a member of the Missoula County Planning Board for awhile, and understood the urban infrastructure and growth areas.

- Councilmember Ruegamer said he heard that state wanted 95 education mills out of TID, and said it would hurt the urban area and not the rural areas. He said the cities actually paid for the schools and many rural areas too, because they don't have tax base and don't pay much in local or state property taxes to support their schools. He said consistency was the Legislature's role, not the Department of Revenue.
- Mr. Bucks said Administration does not support removing 95 mills and said we needed a lot of public dialogue among rural and urban areas about financing infrastructure. He said legislature did not have a mechanism to administer the laws and that was why the rules were needed. He said State law gives the Governor's office the responsibility to administer tax/revenue laws, and the rural county formed illegal districts and the DOR went there to referee the situation. He said they could have convinced Legislators to repeal some of the TIF districts, and that there had to be boundary lines set up on the issue.
- Councilmember Boyer mentioned Mr. Bucks said at Rotary that there were several instances of several districts breaking the law; she was only aware of Fallon County. She said the urban areas were economic engines in the state, and we would be in trouble if the state took away urban financing tools.
- Mr. Bucks said he felt the comment was very well stated. He said his personal opinion/experience was that it was difficult to get infrastructure built in growing areas, and TIF was one of the only tools available. He said the main problem had been with industrial districts, not urban ones, and there were more standards in the law for urban districts. He said there was a shorter set of standards in industrial districts that were more specific, but were being overlooked.
- Councilmember Veis asked where Mr. Bucks had seen the abuses, and wondered if the rules would affect urban districts also.
- Mr. Bucks said it would affect the urban districts, as there were issues there too. He mentioned the timing of base year, and said a Great Falls finance officer wanted to calculate the base year value differently than the DOR. He said a city created a TIF several years ago and didn't submit the paperwork at the time and wanted them to go back in time to calculate the base tax year. He said you also needed to know when the TIF expires, so felt there needed to be more consistency by DOR across the state.
- Councilmember Veis asked about a timeline in the rule-making process.
- Mr. Bucks said he would be meeting tomorrow with local officials and would take the comments forward to a drafting discussion and then notice would follow the dialogue. He said the goal was to have a broad comfort level with local governments before they moved to the rules. He said he would like to see something develop by early next year, but if it took more time to get to the understanding, they would be willing to take the time.
- Councilmember Ulledalen said the City of Billings provided infrastructure for 400,000 people and the local population was resistant to fund them.
- Councilmember Stevens asked if the TIF amendment issue had been resolved.
- Mr. Bucks said they were going to reach a conclusion regarding; 1) statute required simultaneous revision of ordinance along with plan; 2) will allow two different base years within a single district; 3) and by their approval, they were not passing judgment on constitutionality of the action. He said there were some constitutional issues in other states and they may apply in Montana too. Mr. Bucks said they have convinced

themselves that amending boundaries was statutorily permitted. He said the Revenue and Transportation Committee had oversight, and hoped there would be no controversy and wanted the rules to assure that TIF works well

- Mr. Bucks said there were other than boundary issues, but had not seen problems in Billings. He said he had heard some concern about the new district (Cabela's) and asked if it was going to strictly be under an urban renewal statute. The response was, yes.
- Mayor Tussing asked if there were any other issues.
- Mr. Bucks said no, that there were problems in other parts of the state, but agreed that Billings had done it right.
- Councilmember Veis brought up the transportation issues, for example slow construction schedules, increasing costs for projects, etc., and asked what could be done to help projects to proceed on time and within budget.
- Ms. Gillan said many legislators had put transportation projects to the side because they involved federal dollars and was not aware of local transportation priorities. She said to let her know their concerns because she had a good working relationship with Mr. Lynch. She said the Federal processes had slowed the work and that Legislators could not impact that very much.
- Ms. Grinde said they needed community support and priority setting.
- Councilmember Veis they had been told they were going to get the contract on Shiloh in Oct. 2009, and asked what could be done if the Montana Department of Transportation came back and say it is going to be 2010.
- Ms. Gillan said to let her know and she would talk to Lynch and try to get a response.
- Councilmember Veis said there was always a good reason to delay, so asked where the accountability was for delivering the projects on time.
- Ms. Gillan said it was not a partisan issue, but they worked with federal delegation and would push projects that the City set as priorities.
- Councilmember Ulledalen asked how the City could deal with growth, and said they actually needed these roads five years ago. He said they couldn't rely on federal money because it was too slow, and in the end, too expensive. He said then when local dollars were used, there was a strong resistance to that. He went on to say there was conflict with the community because when they asked for more tax dollars, the public wondered why they couldn't get the roads built by MDT.
- Councilmember Clark said there was a meeting regarding the Shiloh Road project, and the MDT said they had the money; then months later they said they were \$10 million short, so the City had to ask for more federal money.
- Ms. Gillan said she would work on putting this type of issue on the interim committee agenda.
- Councilmember Ulledalen said there was money the City secured to rebuild Zimmerman Trail. He understood we needed the local share, not the MDT asking for us to escrow local share and ICAP. He asked if we would have to delay other projects to put that much money in the bank for MDT.
- Ms. Gillan said to make them more accountable by informing them and working with them on issues.
- Councilmember Ulledalen said that was why they we're talking with them earlier.
- Councilmember Veis asked if there was anything else to talk about.

- Ms. Grinde asked what the next step was to keep communications active.
- Councilmember Veis said they hadn't had that discussion yet, and said it was a very good question.
- Ms. Gillan said Jani McCall was very good and very visible, regarding communications and Bruce McIntyre from the Chamber of Commerce had sent an email at least every week; she felt broad contact and context was best.
- Mr. Bucks said his last comment was he hoped that everything would be resolved before Friday's Revenue and Transportation Committee Meeting.

<b>TOPIC #4</b>	<b><i>Report on Sign Code Amendments</i></b>
<b>PRESENTER</b>	<b>Nicole Cromwell, Planner II, Zoning Coordinator</b>
<b>NOTES/OUTCOME</b>	

- Nicole Cromwell, Planner II, Zoning Coordinator said on October 9, 2007, Council passed, on first reading, some amendments to the city sign code, asked for information on five issues, and to provide a report by December 3, 2007. She said the staff report went to Council in their Friday packets. The five issues were: separation from residential zones; landscaping; nonconforming signs and amortization; sign size and public safety.
- The first issue was minimum separation from residential zones and the purpose was so signs would not intrude on residential use; landscaping for new signs, whether the City should require landscaping around the base of new free standing signs; the third issue was non-conforming operations and amortization of non-conforming signs; the fourth issue was sign size (how large electronic could be); and the fifth issue was public safety, as a general category. She said the reason for minimum separation for residential signs was so the signs would not intrude on the residential homes. The current code on separation of billboards from residential zones was 150' and had one for other signs but Council repealed it in 1985. She said Boise and Missoula had a separation regulation if a sign was visible from a residential zone.
- Councilmember Veis asked if there was a minimum separation to a residential zone in the ordinance that Council passed.
- Ms. Cromwell said no, but testimony urged Council to include that regulation. She said if Council decided on any particular direction on any of the five issues, that the ordinances should be presented separately, presented to the zoning commission again, and brought forward as a separate ordinance, because those issues were not addressed in the ordinance that was passed. She said, if adopted, this restriction would affect many businesses in the central and west areas of Billings.
- Councilmember Boyer asked if the City could have a situation in reverse, where residents complain about sign proliferation, such as along King Avenue West.
- Ms. Cromwell said most of the signs around 32<sup>nd</sup> and King Avenue West, and Shiloh and King Avenue West already had commercial nodes in place.
- Councilmember Stevens asked if Council could use a percent of lot depth as a limit.
- Ms. Cromwell said they could, but some lots on Grand were only 80' deep, so Council would have to carefully craft a regulation like that.
- Councilmember Stevens asked if Hageman could request a variance.

- City Attorney Brent Brooks said it was possible, but exceptions eventually created the rule and you needed to identify the problem, and then craft the code to address only that particular problem. He said the City of Billings should check with sample cities about anecdotal information regarding protests, litigation, etc.
- Councilmember Clark asked if they used the 100' separation it would make a lot of signs, especially on Grand Avenue, nonconforming.
- Ms. Cromwell said that this type of regulation could impact a lot of signs, including illuminated, non illuminated and electronic signs. She said staff and the Zoning Commission did not receive a lot of feedback about this, so did not propose regulations.
- Councilmember Boyer said some members of the committee wanted the restriction but felt like they were not getting anywhere with the argument.
- Ms. Cromwell showed photos documenting separation issues and discussed the different types of electronic signs.
- Jani McCall asked if hospital zoning allowed large signs.
- Ms. Cromwell said they were in a different section of the City's sign code and the City amended the ordinance a few years ago for them to better identify their entrances.
- Councilmember Gaghen said she had met with neighbors and some proposals were not acceptable, so the hospitals compromised.
- Ms. Cromwell said there were five options ranging from do nothing, to adopt a regulation that applied minimum separation to all free-standing signs, not just electronic signs, or not just illuminated signs; the third choice was to adopt a regulation that required a minimum separation that would only apply to electronic signs.
- Councilmember Boyer asked if the City could amend the ordinance to allow the signs that were already installed, but from this point on, not allow them.
- Ms. Cromwell said zoning already allowed them; however, problems sometimes arise when a new owner moved in and had sign requirements that are not allowed in that zone.
- Councilmember Stevens said one of Hageman's assertions was that this regulation would affect business value.
- Mayor Tussing asked if the City needed a grandfather statement in the ordinance.
- Ms. Cromwell said she didn't know how many signs would be affected but there would probably be a lot.
- Ms. Cromwell said the fourth option was to require the minimum separation for illuminated signs, if they were visible from a residential zone, and the fifth option would be to lower the sign height, requiring the sign be no taller than the building, or limit the sign to 30 feet tall.
- Councilmember Clark asked if Council would keep the maximum height regulation in the ordinance and if they could adopt a regulation that would limit sign height to the building height.
- Ms. Cromwell said yes, and limiting the height of a sign could affect safety in reference to driving hazards. She said Great Falls and Boise required landscaping for freestanding signs along with some kind of living material. She said Council's options ranged from do nothing to requiring regulations for all new signs.
  - Amortization - Great Falls, Missoula, and Kalispell have amortization for some signs, as they require conformance when the sign is damaged or destroyed, and said there was usually a seven year amortization. She said the main issue was

whether electronic signs could keep their animation indefinitely. Options were to leave the code in place, to making all signs conform within a certain time period.

- E-sign size limit – some committee comments urged the City to reduce the maximum size. She said the current standard limits for electronic signs were 25% of the maximum permitted sign size for each property. She said this could affect safety, and Council could establish minimum letter size to improve safety. Ms. Cromwell said the options were to leave the code alone, to reduce electronic sign size, but to require a minimum letter size.
- Public safety – some signs in some locations may increase distractions and could create accidents, but there were no set criteria to reduce the number of accidents. Ms. Cromwell said the existing code did not allow a sign that could simulate traffic control signs, such as STOP, but does not restrict the colors. She also mentioned that legibility affected safety. She said the City's local accident data, which was provided through City Traffic Engineering and the Police Department, did not correlate to the installation of electronic signs with an increase in distracted driver accidents.
- Councilmember Boyer said Minnetonka County conducted a multimillion dollar lawsuit and then hired a consulting firm that concluded distractions from electronic signs do contribute to accidents.
- Councilmember Ronquillo complemented Ms. Cromwell on her research and presentation and thanked her for the time she spent to clarify some of the issues.
- City Administrator Volek said this would be rescheduled for the January 17, 2008, Discussion/work session, giving Council time to absorb Ms. Cromwell's information.

<b>TOPIC #5</b>	<b><i>South Side Neighborhood Plan Presentation</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- Lora Mattox, Neighborhood Planner, described the public participation process which included 15 meetings with the steering committee, and also conducted several task force meetings. She said the Planning Department reviews resulted in a couple of minor comments regarding language, and had sent those changes to all departments for their review. She showed a map of the neighborhood area, which was all City property, which included no boundary amendments. She said the focus areas were typical growth policy topics like housing, transportation, public facilities, environment, land use, etc. She conducted a brief presentation on the focus areas, and said the timeline was resolution of intent on December 17, 2007, and public hearing would be on January 14, 2008.
- Councilmember Ronquillo said Ms. Mattox did an excellent job when she attended the task force meetings.
- Councilmember Gaghen said Ms. Mattox was not only involved in the south side neighborhood plan, but was involved in many other projects within the City, and was doing an excellent job on all of them.

- Councilmember Stevens said there was a complaint about Oakland Homes not consulting with neighbors, but new applications in Heights were meeting at Engineering Inc. She said she would vote against these until developers met with neighbors in their neighborhoods.

<b>TOPIC #6</b>	<b><i>MT Department of Transportation &amp; Road Funding</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- Dave Mumford said there were a couple issues that need to be reviewed carefully. He said federal project dollars should not be tied up with or interfere with MPO planning money, and the fact that you can not completely bypass dealing with the MDT on federal highway dollars. He said Washington State had developed a group within their DOT to work with local governments to comply with federal regulations. He said Montana could do the same with MDT, but they were reluctant to work with the City of Billings on this. Mr. Mumford said we could get better control over these projects. He said the City would still have to contribute their local share and have to pay contractors the full amount, and then ask for federal dollar reimbursements. He said they were making headway on the Rimrock Road project and would be building from Shiloh and going as far west as money would allow. He said we would still pay more than was originally projected.
- Councilmember Veis asked about Bench Boulevard.
- Mr. Mumford said they were trying to move the project back to the State because MDT had used money from this project to pay for overruns on other projects. He said any work done would be minor and be specifically around the MetraPark area. He said the MDT was working better with urban projects, for example, on Shiloh Road.
- Councilmember Veis asked about the inner belt loop and wondered if they needed to execute a local agreement with the MDT before the City could run the project.
- Mr. Mumford said yes, that the City had to do a local agreement with MDT and get certified by the federal highways. He said the good news was that the City had done this with CTEP, so they already knew the process. He said the highway projects were larger, but were the same process, and felt MDT was admitting that we know the rules.
- Councilmember Veis asked if it would make sense to do this on a large scale project.
- Mr. Mumford said yes, Rimrock Road from 17<sup>th</sup> to Shiloh, because we knew the roadway.
- Councilmember Veis asked what the timeline would be on the project.
- Mr. Mumford said he asked for Congressional appropriation during the last two years, and hoped to get part of it this year.
- Councilmember Veis asked if it would still be an earmarked project.
- Mr. Mumford replied, yes it would be. He also said they had been working before the projects come about so that we are certified before we had a project to work on.

- Councilmember Veis asked how long it would take to do the certification and how long the certification would last.
- Mr. Mumford said the certification was permanent, however, the MDT would come in periodically and conduct an audit to ensure that inspection procedures were still correct and in place. He said as far as how long it would take, that would be up to the State.
- Councilmember Veis asked if the City was able to get the certification, would the feds really care or would it be a deal with the City and MDT.
- Mr. Mumford said the City of Billings would deal with feds, and MDT should reduce their ICAP because we would be doing some of the work for them.
- Councilmember Veis asked why MDT stayed in the picture.
- Mr. Mumford said there were oversights by feds, through the state, and a money conduit.
- Councilmember Veis asked if the MDT was reluctant to work with the City of Billings
- Mr. Mumford replied, no.
- Councilmember Clark asked how much this could speed up a project.
- Mr. Mumford said it should speed it up a lot. He said Montana had spent a lot of time and attention to environmental issues and property acquisition, and their review process was overwhelming and cumbersome.
- Councilmember Ronquillo said Mr. Barrett talked about three safety projects, one of them being State Avenue, and wondered where these projects were and what they were.
- Mr. Mumford said they were probably State Avenue, Moore Lane and perhaps the realigning of the 13<sup>th</sup> Street West and Parkhill intersection.
- Mayor Tussing said there was a citizen concerned that if we fought the State Ave. project design, the project wouldn't get done.
- Mr. Mumford said right, it wouldn't.
- Councilmember Gaghen said Mr. Barrett said the money had to be utilized in a safety mode, and without using the two lanes and turning lane, you could not use the safety money on the road. She said it would be transferred to other projects.

<b>TOPIC #7</b>	<b><i>Council Member Exchange</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- City Administrator Volek said this issue was covered by a memo in the Friday packet and also the party for outgoing members. She said City Attorney Brent Brooks researched other cities and their procedures.
- City Attorney Brent Brooks said statute required term of office to begin on the first Monday of January, and that each city was doing things differently. He said as long as the new councilmembers had signed their oaths and been sworn in by the first Monday in January, they would have full authority, and you could hold a ceremonial swearing at that time.

- City Administrator Volek said what they would suggest would be to have a private swearing in done, and then have a special council meeting and swearing in on January 7, 2008, at the Work Session.
- Mayor Tussing asked when the outgoing members vacated their offices.
- City Attorney Brooks said the outgoing members would hold office until the new members took office, which would be 11:59 p.m. on January 6, 2008.
- Councilmember Clark asked how it had been done in the past.
- City Administrator Volek said in past years the first Monday was closer to the first of the month. She said a formal meeting could be declared at the first Work Session.
- Councilmember Boyer said there should be a private swearing in ceremony at the first Work Session Meeting in January of 2008, with a formal ceremony at the first regular Council meeting on January 14, 2008. The consensus was total agreement.
- City Administrator Volek said it could be done privately at the Work Session with a formal swearing in at the first regular meeting on January 14, 2008.
- City Administrator Volek asked about a dinner for the outgoing Councilmembers, and said they had talked to both Councilmembers Brewster and Boyer and discussed what date everyone would be available.
- Councilmember Ruegamer said to just set a date, and the consensus was in agreement, as it would be too difficult to ensure everyone was available at the same time.
- Councilmember Boyer said she would like for Council and department directors to go to dinner after the last meeting of the year on December 17, 2007.

<b>TOPIC #8</b>	<b>Cottonwood Park</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- City Administrator Volek said the appraisal of land was \$250,000, which was \$50,000 more than the School District had authorized by the election. She said they also looked at the infrastructure costs, and they ranged from \$342,000 to \$1,048,000.
- Councilmember Veis asked if the School District could live with southeast corner.
- Candi Beaudry, Planning Director said it was because part of it was in the floodplain and the land was swampy. She said the School District doesn't want the northeast corner because they don't want to be on 54<sup>th</sup> Street West. She said if the City subdivides, it would be responsible for the improvement costs, or you could do a boundary line relocation, which would leave the School District responsible for the improvements.
- Councilmember Boyer said she had talked to a School Board member and a couple of other people and they didn't know much about this.
- Ms. Beaudry said they had not met with any school board members but had numerous meetings with staff.

- City Administrator Volek said the City had shared memos with Superintendent Cops, and had spoke to him earlier that morning to ensure he had received the correspondence. Ms. Volek said Mr. Cops indication to her was they could not increase their offer above \$200,000.00, because it was approved in election at that figure. She said they are in the process of preparing a formal offer to the City of Billings at the \$200,000.00 figure, and if Council indicated that the \$200,000.00 figure was not acceptable, that the discussions may end at that point. She said what staff was asking Council for was the authority to talk to the School District about the \$250,000.00 value and the boundary change, which would relieve the City of the responsibility, given the City's financial constraints having to pay for the improvements.
- Councilmember Ulledalen said he had been told that because it was an elementary school and that it was next to a park, they didn't need the full 10 acres, and if they bought only seven acres, it would only cost them \$200,000.
- City Administrator Volek said the City was obligated to improve the park and don't have the money.
- Councilmember Boyer she said the feeling she got from the School Board was that they thought the City should have given them the property, and didn't know what the agreement stated.
- Councilmember Veis asked if the City did a boundary relocation, the city wouldn't be responsible for the improvements.
- Councilmember Ruegamer said several years ago he suggested that the City meet with the School District Board quarterly and it wasn't approved. He said he would sponsor it again because we need to talk with them. He said he would be glad to give them the land, but didn't want the development costs.
- Mayor Tussing asked what would happen if we didn't sell the land for less than \$200,000, and the School District was unable to pay the \$200,000.00 purchase price, what would happen to the land, could the City sell it to someone else.
- City Administrator Volek said the terms of the agreement stated if a school site was not developed, then it could be used for a library. She said the City was in negotiations with the College of Technology; however, they want to relocate the library so that would not be visible and accessible to the public.
- Councilmember Stevens said in regard to Councilmember Ruegamer's comment, it sounded like a great idea to meet with the District Board, but we have invited them to attend the task force meetings and they don't show up, and have asked them for input on every subdivision zoning and rarely hear any response back from them.
- Mayor Tussing said he and Mr. Mumford were supposed to visit with the District board about the recycling project, and tried to get in touch with Mr. Goodrich and talked to Mr. Cops, and said he was not getting any response.
- Councilmember Veis asked if the City was allowed to accept less than the market valuation.
- City Attorney Brooks said the agreement stated "fair market value." He said you could not give the land to the District without amending the agreement, because the purpose of the money was originally intended to develop a park.

- Councilmember Boyer asked if the City sold the land to the School District, wouldn't we need to get as much for the land as possible so we can do the improvements, and would the City have to get fair market value.
- City Administrator Volek said we could accept \$200,000, but it goes into parkland development and that would mean less money for that purpose. She said she understood the appraisal was done in 2002, and that's how the \$200,000 figure was established.
- City Attorney Brooks said they had met several times with Jeff Weldon and when they heard \$200,000 was the figure, we told staff that the land had appreciated and staff couldn't commit the Council, as they assumed the number was based on an old appraisal.
- Councilmember Ruegamer asked if they still wanted to sponsor the initiative to meet with the District. He said the City/County meeting had gotten so large that there was not a lot accomplished. He said he wanted to hear the District say yes or no to attending a regular meeting.
- Councilmember Clark asked if the School Board had decided to buy the land and said the last he heard, they were undecided.
- City Administrator Volek said her understanding was the School Board was in the process of making an offer of \$200,000.00
- Mayor Tussing asked if Council could give direction tonight or did they have to do it formally and wait for a regular meeting.
- City Administrator Volek said they could accept guidance tonight.
- Mayor Tussing said he felt the City got the land for free and felt the City did not need to be too greedy. He said the Forbes wanted a school, so we should be willing to accept \$200,000.00.
- Councilmember Veis said he agreed and felt they should have talked to Council before the vote, and make it clear the City would not be obligated to make any improvements.
- Councilmember Boyer said she felt they had been pushed into a corner that they shouldn't have.
- Councilmember Veis said the School District Board wanted to buy land for as little as they could, just like we would do.
- Councilmember Gaghen said the city and schools were trying to work together and even if their methods weren't the best, it was still the right thing to do and that they we're grateful to the Forbes'.
- Councilmember Stevens said the School District should have asked first.
- City Administrator Volek said the District would bring the City an offer.
- City Attorney Brooks said the ball was in their court to submit an offer to purchase, and the Board may have not approved that yet, but that would be the next step.
- Councilmember Ronquillo asked when the boundary change would be done
- City Administrator Volek said they would do the boundary change simultaneous to the transfer.
- Councilmember Boyer asked how it would look if the City pushed the District into the improvement costs.

- Councilmember Veis said they could include the development cost in the school construction by putting it in the bond election.
- The Consensus was to wait until the School District Board made the offer to purchase, and then sell it for \$200,000.

#### Additional Information:

City Administrator Volek said the agenda review would be held tomorrow at 5:30 p.m. if anyone wanted to attend.

Councilmember Veis asked what the status was on hiring a fire chief.

City Administrator Volek said they had hired CPS, a consulting firm and they are setting up a timetable to come in. She said this consulting firm came highly recommended and will be starting soon by doing an assessment as part of the hiring process. She said they were in the process of setting up meetings, and in the meantime would have an interim fire chief.

Councilmember Veis asked about the cost of the services

Assistant City Administrator Bruce McCandless said he had received two proposals on Friday and would distribute them to Councilmembers this week.