

City Council Work Session

February 19, 2008

5:30 PM

Community Center

ATTENDANCE:

Mayor/Council (please check) Tussing, Ronquillo, Gaghen, Stevens, Pitman, Veis, Ruegamer, Ulledalen, McCall, Astle, Clark.

Clark and Ronquillo excused. Tussing excused at approximately 6:30 p.m.

ADJOURN TIME: 8:40 p.m.

Agenda

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| TOPIC #1 | Public Comment |
| PRESENTER | |
| NOTES/OUTCOME | |

- Joe White, N. 30th Street, Billings: The City Council has twice asked Tina Volek to resign but she keeps showing up for work. He has recently received information that the Homeland Security Agency says Kristoff Bauer and Tina accused area accused of subversive activities. He would like her removed. (*complete comment not audible on recording*)
- Erica Sparhoff, 907 N. 25th Street, Billings: She is treasurer of the North Park Task Force and has participated in the draft plan process. She would like to express support of the plan.
- The public comment period was closed.

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| TOPIC #2 | Representative Ken Peterson |
| PRESENTER | |
| NOTES/OUTCOME | |

Mayor Tussing introduced Representative Ken Peterson. Councilmember Veis informed him that the Yellowstone County Delegation has been invited to attend scheduled work sessions to discuss three topics: local option tax, tax increment finance districts and transportation/infrastructure. Representative Peterson stated that the option tax hasn't passed due to the opposition from the rural areas because they don't want Billings to have all of the revenue. The smaller, rural areas would like part of the revenue as well. He continued that he sees the benefits of the tax for West Yellowstone and infrastructure that is now in place. He indicated that it might have a better chance to call it local option sales tax but limit its uses to capital infrastructure and for police/fire services. That would assure the people who travel to Billings that they have good infrastructure in place and would have police and fire protection as well.

Councilmember Veis stated that the Council would like to have the authority to ask voters, and then would be willing to discuss the matter with voters to determine how the funds would be used because it has passed locally. Representative Peterson responded that he didn't

think the tax would ever pass as long as the rural areas oppose it. Councilmember Ruegamer asked Representative Peterson to contact Bruce McIntyre at the Chamber of Commerce about statistics and ideas that he has on this issue. Mr. McIntyre's information is compelling. Councilmember Ruegamer added that when Senator Linda Moss visited with Council, she suggested some revenue sharing to allow funds to be distributed to RC&Ds in outlying areas to use it for their own purposes. Councilmember Ruegamer asked if Representative Peterson had any specific suggestions other than revenue sharing. Representative Peterson replied that he thought the last proposal included that option. Council clarified that the last 3 successive bills/sessions included the revenue-sharing concept, but the 2007 session also had the tourism tax and population cap and both bills failed. Representative Peterson stated that a former seat mate didn't agree with local option tax in any form, but might support nice streets and police/fire when his constituents come to Billings. He offered to propose that idea to that particular legislator.

Councilmember Ruegamer said he has wondered about the fact that Red Lodge has the tax but Billings doesn't even have the chance to ask the voters. Mr. Ruegamer stated that there could be a potential lawsuit against the state regarding equal protection of the law. As everyone knows, Red Lodge collects the lodging tax and a significant amount of revenue from Billings visitors in the winter. We would never think to expect any money from Red Lodge or any other small community that is visited by Billings residents. Councilmember McCall said that revenue sharing was typically at 25% and Representative Peterson is correct that even that amount has not been popular in rural areas. Councilmember Astle asked about requiring smaller towns to also have to use the revenue sharing for police, fire and infrastructure. If the bill is written correctly, everyone who receives revenue would have to use it the same way.

Councilmember Ruegamer provided the example if Billings were to raise \$10 million in tax revenue, 25% or \$2.5 million would be distributed to small towns through the revenue sharing model. That's more than residents from those rural communities would pay toward that tax, so in essence, Billings residents end up subsidizing the small towns. Representative Peterson indicated that Bruce McIntyre was sure that the tax would pass last time and it didn't come close. A different approach is needed -- somehow the rural residents need to know there is benefit for their community, and specifying uses might do it. Councilmember Astle asked for clarification about how far the rural area reaches. Councilmember Stevens responded that it is basically the same as the newspaper distribution area. Councilmember Veis added that the size of the rural area is part of the problem. Spreading \$2.5 million over a large area results in those areas getting very little and not enough to make a difference and support the tax. Councilmember McCall provided clarification of how the regions were set up. Primary beneficiaries would be the immediate surrounding counties. The second ring would be the counties that go on the outer loop and they would receive less than primary.

Councilmember Veis introduced the next topic, tax increment finance districts. There are current issues going on within the Department of Revenue but we hope the laws don't change. Billings a good example of tax increment finance districts working well. Representative Peterson indicated that he has seen them work well and has no thoughts about changing law. Councilmember Veis said a rural area, Fallon County, has had some problems which may prompt some changes. Mayor Tussing commented that we should be most fearful of the Department of Revenue's current practice of taking it upon themselves to tinker with them. We would like the Legislature to stop them if they go too far. Mr. Bucks talked with the Council previously and indicated it seems under control.

Councilmember Veis introduced the last topic, transportation and infrastructure. As Representative Peterson is probably aware, it seems to be a lengthy process for Montana Department of Transportation projects to reach completion. Councilmember Ulledalen has addressed the Transportation and Revenue Committee about this issue and Council would appreciate any assistance Representative Peterson can provide to keep them moving forward. Councilmember Ulledalen added that there are constraints with utilizing federal money that takes more time but every little hiccup causes undue project delays and there have also been bidding delays. The City was recently told that the Airport Road is being held up due to land acquisition problems. That isn't true because the City of Billings is the primary land owner and we haven't been contacted. He continued that he spoke with another landowner today who indicated that he has heard the land acquisition issue for years and was finally contacted in the last few weeks. There just doesn't seem to be incentive to complete the project and there's no accountability. Surrounding states have more favorable relationships with cities and we'd like to use them as models. We would like to find out how to motivate them to get the projects done in a timely manner. Representative Peterson indicated that he felt the land acquisition issue is an excuse for MDT. It can be accomplished in about 90 days and then figure out compensation later after the state has possession. He continued that he felt Billings is sometimes treated like a step-child, particularly on the executive side, not the legislative side. One solution would be to try to convince the Governor to intervene. Councilmember Veis added that the Council understands where the problem lies, but wants the Legislature to be aware of the situation

Representative Peterson reported that he recently wrote a letter to MDT about closing the rest area near Bridger, MT. MDT responded that they're starting to upgrade and will reopen it in the near future.

Councilmember Veis offered the opportunity for any other issues Representative Peterson would like to discuss. Representative Peterson inquired as to the road projects referred to during discussion. Council responded that Shiloh and Airport Roads are the current issues. Councilmember Veis stated that MDT is already running into issues with construction scheduled to start next fall. MDT maintains the position that they won't seek right of entry because of the associated costs, but the waiting costs more in inflated construction costs.

Councilmember Ulledalen explained a situation where we were forced to move the money from Zimmerman Trail to the Shiloh Road project. We received an appropriation to begin repair on Zimmerman Trail and then were told we had to escrow \$5 million to hold the earmark to begin the project. MDT indicated that was a result of the Legislative Auditor's Report in January 2006. That basically eliminated the benefit of that funding source since the City doesn't have funds to escrow in that manner. When Councilmember Ulledalen had the opportunity to review the Legislative Auditor's Report, he discovered that the escrow practice was an option, not required. MDT's Lynch backed down after Councilmember Ulledalen's discussion with him and stated that MDT can negotiate by city. Now, the City can take a new look at Zimmerman Trail. That's part of the frustration we have and we wonder what else is out there that may not be "required." Another issue is that some contracts include indemnity and warranty provisions that aren't acceptable to the City. City Administrator Volek stated that although she hasn't reviewed all the final figures, the information we have indicates that the funds available won't cover maintenance for Shiloh Road, and on top of that, MDT is asking us to indemnify them for everything. Over a 15-year period, the city would be forced into the red to maintain it. Councilmember Astle added that there's an additional problem with asphalt roundabouts rather than concrete ones that are preferable. Councilmember Veis stated that MDT

wasn't willing to move forward with the construction unless the City agreed to take responsibility for the maintenance. Representative Peterson agreed that concrete is the best material based on past experience with King and 19th Street. He asked if there was a scheduled Rimrock Road project. Councilmember Ulledalen replied that it was scheduled to be completed from Shiloh to the Yellowstone Country Club, but because of funding issues, it looks like it will be completed only to where the road gets bad. MDT is extending the assessment on city-related expenses that may be they shouldn't be. For example, we have to lower the water line on Rimrock so it becomes our project and our expense, while MDT maintains that we owe the ICAP assessment on that part of the project as well even though it's not part of the MDT project. Councilmember Veis reiterated that there is no accountability for MDT. Councilmember Ulledalen said there is criticism that Billings doesn't work with rest of the state and our delegation doesn't work well together. He added that he's pleased with these meetings with legislators because there seems to be a lot in common. Representative Peterson responded that he has had meetings before the session in the past but not often with the Council. Councilmember McCall advised that a joint luncheon/reception was held prior to last session and Representative Peterson possibly wasn't able to attend.

Representative Peterson suggested an examination of partnerships we rely upon. The Chamber is traditionally a good partner but past joint efforts haven't worked so it may be wise to switch partners on important issues. He added that he feels the Delegation seems to work pretty well together despite philosophical differences. He cited the Big Bill in 2001. He voted for it even though he didn't like the concept. He supports it because locals wanted it. Councilmember McCall commented that Representative Peterson's district is large and contains a lot of rural areas, but he has always been supportive of Billings.

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| TOPIC #3 | <i>Parking Advisory Board</i> |
| PRESENTER | |
| NOTES/OUTCOME | |

City Administrator Volek introduced Brenda Burkhartsmeier, Chair of the Parking Advisory Board. Ms. Burkhartsmeier introduced her fellow Parking Advisory Board members. Most recent projects include 2 strategic planning sessions. The Board wants to expand jurisdiction to coincide with the adjacent downtown areas, like the hospital corridor. The Board has also identified the need to formalize its policies, and would like to become advisors to planning on parking in areas broader than downtown. A long-term goal is to assist staff with a parking management plan. Rates are being reviewed and a more detailed report will be provided by Chris Mallow during the next work session agenda item. Garage rates will get a specific examination because all 4 garages are now fully occupied. The Board may have to consider differential rates. There are mixed feelings among Board members about whether the meter rate increase was effective. They are continuing to expand diagonal parking and 10-hour meters and considering short and long-term solutions to increased building in the downtown. Once present construction is complete, a parking demand study may be appropriate.

Councilmember Ulledalen expressed his opinion that he still has a sense that the City's garages are under priced. Park I and Park III have substantial demand, but there is not enough money to build more. Higher rates seem justified based on the demand. Ms. Burkhartsmeier stated that she has always been an advocate of eliminating more of the hourly parking and

increasing leased spaces. The Board's belief is that the garages should be used for long-term parking. A garage rate increase may impact on-street parking so it needs to be balanced. Councilmember Gaghen asked about the percentage of hourly garage spaces. Ms. Burkhartsmeier replied that it varies from garage to garage, but Park II and Park III have the most and Park I and Park IV don't have many available spaces.

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| TOPIC #4 | <i>Parking Revenue Report</i> |
| PRESENTER | Chris Mallow |
| NOTES/OUTCOME | |

Assistant City Administrator McCandless introduced Parking Supervisor Chris Mallow. Mr. Mallow provided a history of the last rate increase which was intended to accomplish two goals: increased revenue for Park II expansion debt and an increase in metered space turnover. The current garage rates went into effect September 1, 2006, and on-street meter rates went into effect approximately August 20, 2006. The City programs all of its 1000+ meters in the downtown area. Mr. Mallow added that the previous report to the City Council was in January, 2007. He went on to review a comparison of previous parking rates and current rates. How the rate increases impacted each parking category was reported as follows:

Garage and Lot Monthly

- ✓ 2007 Revenue increased by \$213,424.79 or 29.72% from 2005
- ✓ Demand remains for all garages and waiting lists are maintained
- ✓ Park I increased the number of leased spaces and decreased the number of hourly spaces
- ✓ Park II expansion is complete
- ✓ Park IV is near 100% occupied

Garage Hourly

- ✓ 2007 Revenue increased by \$55,370.28 or 37.30% from 2005
- ✓ Park I hourly spaces were reduced but seems adequate
- ✓ Parking Advisory Board and Staff will review hourly spaces at Park 4

On-Street Meters

- ✓ 2007 Revenue increased by \$51,779.04 or 19.81% from 2005
- ✓ There is heavy utilization of the core
- ✓ Meters were added at Alberta Bair Theatre and provided meter covers for events that require loading and unloading provisions
- ✓ Removed 2-hour parking on downtown perimeter
- ✓ Increase in 10-hour meter permits – a good alternative for downtown employees who are unable to park in a garage

The overall increase in revenue from 2005 to 2007 is \$320,574.11 or 28.42%.

Councilmember McCall stated that the 2006 rate change changed her behavior and she put a lot of money into the hourly parking meters. Councilmember Astle inquired about changing the

current parking on Montana Avenue. Mr. Mallow responded that it has been discussed, but that street has a different makeup than the downtown core. Parking staff and the Advisory Board will work with business owners to talk about any changes. Councilmember Ruegamer advised that he didn't expect there would be much support for meters on Montana Avenue. Ms.

Burkhartsmeier commented that she was involved in the original meter removal on Montana Avenue and would be strongly opposed to meters added now. She would anticipate opposition from businesses as well. She suggested it would be better to change the perimeter areas but leave Montana Avenue alone. Councilmember Stevens said she heard that a deal had been struck with property owners and if so, she would like to have a report concerning that from staff so the question would not keep surfacing. Councilmember Gaghen stated that before Billings Clinic obtained spaces at Park IV, there was consideration of selling the facility. Ms. Burkhartsmeier confirmed that it was considered, but not now that it is making money.

Councilmember Astle asked for clarification on the various types of loading zones. Mr. Mallow responded that entities apply for those zones from the Street Department and options are provided for the hours and rates. The Parking Advisory Board also reviews the necessity of the loading zones. Mr. Astle asked about the 24-hour loading zone at the Methodist Church even when the church is not utilizing the spaces. Ms. Burkhartsmeier stated that the Parking Advisory Board is trying to get a map together to identify the zones and then will consider changing them.

Mr. McCandless commented on the Park IV potential sale. There is a delay in determining whether that is a salable property. It was determined that the RFP process must be utilized to select a consultant to study the property. That RFP is being developed.

Mr. Mallow concluded his presentation by stating that the goals of increasing metered space turnover was met as well as the increase in revenue goal.

Councilmember Pitman asked where the parking funds go. Mr. Mallow replied that revenue goes into the enterprise parking fund, but there is a \$233,308 transfer to the General Fund. Councilmember Ulledalen said that the contract was just awarded for collection of the past-due, unpaid parking debt. He wanted to know when the collection would begin and what revenue is expected. Mr. Mallow replied that he has set up the new client information with contractor and collections can begin soon. There is \$138,000 in delinquent parking fees/fines.

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| TOPIC #5 | <i>North Park Neighborhood Plan</i> |
| PRESENTER | Lora Mattox |
| NOTES/OUTCOME | |

Neighborhood Planner Lora Mattox reported that this presentation will provide information prior to consideration of a Resolution of Intent to Adopt the North Park Neighborhood Plan at the February 25, 2008, Council meeting. She outlined the schedule of the study and that the Planning Board and Board of County Commissioners have recommended approval and addition of the neighborhood plan to the City Growth Policy. She reviewed the plan elements which contain the usual suspects that are part of a neighborhood plan: transportation, housing, parks and recreation, public safety, land use, infrastructure, and historic preservation. The plan contains 3 focus areas. The first is the main residential area. The main concern in this area is to preserve the character of the neighborhood by ensuring buffering along N. 27th and 6th Avenue N. to protect the residential areas of that neighborhood. The plan includes a preferred land-use map that addresses some of the issues with those two areas. The second study area is mainly an industrialized area. The major focus with that area was to look at

master planning in this area to encourage the best land use within the district. They would also like to consider some mixed-use development in the form of housing and entertainment aspects. Study area 3 encompasses a large portion of the business district in the area. Most of that study concerns transportation issues to make sure routes for pedestrians and bicycles are encouraged, especially in the business district of the area.

Councilmember Ruegamer complimented Ms. Mattox on the plan and the brief presentation. He asked if there were many vacant residential lots in the area. Ms. Mattox responded that there are not many and they tend to be scattered around and between other uses. Even though there are not many available lots, there is opportunity for some infill. Councilmember Stevens asked why the County is involved with this plan. Ms. Mattox explained that the neighborhood plan is part of the growth policy and since the growth policy is jurisdictional with the County, it also has jurisdiction with adoption of the plan. Councilmember Gaghen commented that some of the lots that are available for infill tend to be where drug houses were removed, especially on 2nd and 3rd Avenue. There is a newly transformed lot near the Towe property on 7th Avenue N. and 26th St. N, but not much else. Councilmember Ulledalen expressed his concern about how we protect the residential area, especially along 6th Avenue N. Ms. Mattox responded that it can be protected by zoning for buffers. Mayor Tussing asked about attendance at the meetings. Ms. Mattox reported that there was a good core group that attended every meeting and at every meeting, a plan update was provided. The neighborhood newsletter also announced the planning meetings which were held in conjunction with the task force meetings so residents could attend one and stay for the other.

Councilmember Astle pointed out that page 47 contains the map that shows the available residential lots. Ms. Mattox explained that the majority of available lots are south of 6th Avenue N. and in a controlled industrial zone that requires special review. Single family housing is the only housing allowed in a controlled industrial zone.

Councilmember Pittman asked if the neighborhood plans would be available on the website and Ms. Mattox replied that all the plans would be available in that manner.

City Administrator Volek stated that this item will be on the February 25 agenda to set a public hearing date.

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| TOPIC #6 | <i>ICC Appraisal and Implementation Plan</i> |
| PRESENTER | Candi Beaudry |
| NOTES/OUTCOME | |

Planning Director Candi Beaudry provided information about ICC (International Code Council), the entity that authors the building code that the City of Billings enforces, and presented the report from that agency. Ms. Beaudry introduced Chief Building Official Kim Palmieri. Ms. Beaudry advised that the first goal given to her when she was promoted to the Planning Director was to improve the permit review time and standards. In a search for consulting firms to address these issues, it was discovered that ICC had a division to conduct building division audits and since they know the business best, they were the most logical choice. ICC came to Billings, interviewed staff, builders, realtors, and DPARB (Development, Permit Advisory Review Board) members. ICC examined our procedures and practices, and

then looked at best practices and performance measures for similar-sized communities. The November 9 report includes the ICC's recommendations in 9 categories. Ms. Beaudry summarized them to 4 categories: organization and personnel, process, technology and monitoring. ICC recommends a significant organizational change. Currently, the Building Division is a division under the Planning and Community Services Department. The ICC recommendation suggests the Building Division becomes a stand-alone department to allow more enforcement ability to the chief building official and also allow the City Administrator more control over the chief building official. It was also recommended that a pre-application coordinator be located in the City Administrator's office. New and changed positions were shown on the organization chart distributed to Council members. The total cost is \$200,000 for the 4 new positions and 3 upgraded ones. Planning Staff has reviewed this to determine the objectives behind it and has recommended an alternative approach to achieve the same objectives at a lower cost. It keeps structure the same as at present, upgrades some positions and creates one new position which would function as a senior permit coordinator with no administrative responsibility. The senior permit coordinator is particularly critical to success of the staff proposal. The cost of the staff proposal is \$62,000.

Councilmember Veis inquired about the difference between the pre-application coordinator recommended by ICC and the new position proposed by Staff. Ms. Beaudry explained that the role of the new position would be incorporated into the senior permit coordinator. The ICC envisioned a position that is not under the control of the Building Division, but solely under the City Administrator and would be responsible for taking large commercial or master plan projects and essentially ushering them through the entire process. That position would also ensure that the individual departments perform their necessary functions throughout the process. The City had a similar position during the 1980s and 1990s and it didn't work especially well. City Administrator Volek voiced her support of this proposal. Part of her concern about the ICC proposal is that the City Administrator's direct reports would increase to 9 from the current 7 positions. She pointed out that the ICC report indicates that the structure is not flawed in the department. Councilmember Veis asked if the senior permit technician position would be able to have the liaison function that ICC envisioned with their recommendation. Ms. Beaudry responded that the senior permit coordinator would not have administrative authority but would track applications and inform the Building Division about snags and visit with reviewers about their performance. This position would be identified as the "go to" person in the process. Councilmember Stevens asked if there are any engineers in this structure. Ms. Beaudry replied that there are not. This process involves the Building Division even though other departments are involved in the review process.

Ms. Beaudry continued that there was also a recommendation to continue and address specific training needs. One area identified is customer service, primarily at the front counter. The department has 2 new counter employees and they came on board in the midst of the ICC review. ICC does have permit counter employee training and we'll request funding to use some of it. Inspectors also need training, especially in technology for remote network access. We don't have an engineer on staff, so we can't review structural engineering. It is recommended, however, that we do review whether plans and specifications are complete, which would require some training. Councilmember Veis agreed that it is best to maintain the practice of requiring the engineer or architect to sign and stamp their stamped plans. Councilmember Stevens stated that this is spooking her. We accept responsibility by checking and she doesn't want to take that

on. Mr. Palmieri responded to that by stating that ICC and IBC state that the City is responsible for checking some factors on structural plans and we can get in more trouble if we don't.

Ms. Beaudry continued that the next review category involved process. The first objective is to provide fast, accurate and consistent information. To accomplish that, a standard operating procedure manual will be developed so everyone can provide the same information. Technical questions will not be addressed at the front counter. Building officials will have a more complex, complete manual. Informal training/seminars will be provided to staff so frequently asked questions can be answered consistently. The review process will be coordinated among all departments by holding a pre-application meeting for major projects. The staff is already working on development of a permit review process. A single review time for all department compliance will also be established. The goal is to reduce review time, a primary objective of the development community. To accomplish that, we can issue more permits at the counter. ICC recommended fast-tracking some permits, which will require staff to review how this would work. Comments will be sent to applicants by email and interior remodeling plans will no longer be routed to the Fire Department unless they involve fire protection facilities. One of the biggest objectives of the study was to determine if we should be enforcing certificates of occupancy (C of O). This is a very important legal and safety issue. ICC strongly recommends that we enforce a C of O for all new construction. This is a change from our current practice. Only a percentage of builders request final inspections, unless a lending institute requires it. This will be a bitter pill for some builders, but it's important for the City in this litigious society. Councilmember McCall asked if there was an overall review from ICC. Ms. Beaudry stated that the ICC has indicated no building division is perfect, but with minor adjustments our department can meet performance standards and best practices. Our overall rating would probably be equivalent to a B grade. The C of O option is not expensive, but it will require political will to accomplish it. City Administrator Volek pointed out that the certificate of occupancy is not a common practice. Our percentages are relatively high -- about 50% of residential properties get one and 80% of commercial. There has been at least one lawsuit where a city was named in part because a C of O was not issued and the property owners had problems after the sale. That particular lawsuit was settled. Councilmember Stevens asked if there is a process to resolve disputes without having to wait to go to DPARB's monthly meetings. Ms. Beaudry stated that the individual will contact her and the building official and between them, the issue gets resolved. In a couple of instances, the City Administrator has been involved to assist with the resolution. If there is a clear code violation, we have no authority to waive the code. A final appeal is to the State's building code appeals board. Councilmember Stevens added that when she had a problem in that area, she was never informed that there is an appeal process. Councilmember Ulledalen said that building demands sometime force a contractor to meet demands without questioning an appeal process, which may lead to differential treatment. Ms. Beaudry replied that the implementation of the procedure manual will help with that problem. There are occasions when there is a clear code violation and there is no way to waive the code. That is frustrating for builders/realtors who are used to having a variance process. She added that she has reviewed and resolved issues with builders and realtors and City Administrator Volek has done the same. There is still a question in the industry about how much support the political body should give to the code and building official. The report indicates that the building division is the silent safety division. Absolute support is needed on life-safety issues. The pre-application process will help resolve these issues early.

Councilmember Astle asked what codes could be ambiguous since most codes are clear. Ms. Beaudry provided the example of Rimrock Mall. The Mall wanted to build a play area with foam figures. The Code requires a minimum separation from other structures, and because the play area would be closed, it would be considered a structure. The final resolution was to not classify the enclosure as a structure. That had to be reviewed with many departments and the ICC to resolve it. Interpretation is required and can be ambiguous. The steps already implemented have reduced complaints significantly. City Administrator Volek commented that she, Ms. Beaudry and Mr. Palmieri are very conscious of the fact that new growth drives city revenues. We have tried to be more customer service oriented in recognition of that. It doesn't always happen, but regardless of all our efforts, we won't satisfy everyone. The adaptive re-use rules will provide a solution and we're working on them. Ms. Beaudry said that a common criticism we heard was that builders did not get consistent responses and the standard procedure manuals should help to resolve that. She added that technology is being used to a greater extent. Our website may add Click-to-Gov that would allow applicants access to the building permit process; buy on line, review the process, and apply on line.

Councilmember McCall asked if this process would be started in FY 2009. Ms. Beaudry said that some processes can be implemented without additional budget funds but the few that require budget approval will not go forward prior to the FY 2009 budget request.

Ms. Beaudry reported that monitoring and feedback is important. We will implement performance measures to improve the division's performance. An initial report indicated that we were considerably lower on review time than similar cities. That data has been examined and it was discovered that ICC made some mistakes which have been corrected. We are lower than peers in the number of applications reviewed per employee. That could be a result of the fact that our reviewers spend time at the counter with customers, however, there is always room for improvement. We can streamline the process and improve this measure. Total cost to implement the ICC recommendations is approximately \$300,000. The modified recommendation to implement the staff's proposal is approximately \$100,000. Ms. Beaudry said the question now is if the staff proposal can be supported by Council. Councilmember Ulledalen stated that builders have told him that a fast-track process would be valuable. He stated he could support the staff proposal if it includes adequate measures to improve the performance issues. Ms. Beaudry added that the \$300,000 ICC recommendation would require a fee increase.

City Administrator Volek thanked Ms. Beaudry and her staff for undergoing this process. This is the second department that has completed this type of review and it is her hope that all departments will be subject to the same kind of review by a professional organization to ensure that we are meeting best practice and performing as we should in the departments.

Councilmember Ulledalen asked if cost of services work may spill over to the building department. City Administrator Volek responded that it is possible. Councilmember McCall asked if the staff recommendation has been reviewed with the ICC. Ms. Beaudry answered that ICC has reviewed the organizational structure recommendation but nothing else. ICC doesn't have a problem with removing the senior permit coordinator from the City Administrator's office. The position will be a scapegoat regardless of its location in the organization. Councilmember McCall stated her agreement and support of the proposal if performance improves. Councilmember Pitman inquired about comments that are coming from the community. Councilmember McCall said she heard about this issue when campaigning. Councilmember Pitman continued that builders generally don't like ICC. He asked if there was any kind of reaction from builders. Ms. Beaudry stated that their reaction was very positive.

The primary concerns are interpretation and review time. They particularly liked that the remodeling projects are not going to the Fire Department. Councilmember McCall added that she heard that things are improving but more are needed.

Additional Information:

- Councilmember Ruegamer reported he serves on the Bright and Beautiful Board, but with other commitments, he is unable to continue and would like another council member to take his spot. Councilmember Gaghen volunteered to assume his membership.
- Councilmember Ruegamer reported that County Commissioner Reno contacted him to report that the school district will study the effect of tax increment districts. They will consider if they are they worthwhile. Commissioner Reno wondered if the City is interested in conducting a study to counter the foregone conclusion that school district will say they are not worthwhile?

Council consensus was to not conduct a study.

Councilmember Gaghen stated that the east end district formation discussion included Rod Svee of the School District. He said that there would be no negative impact on the district because there are no schools in the TID.

This will be an agenda item for the next school district/ city meeting. Councilmember Ruegamer invited Commissioner Reno to that meeting.

- Councilmember Veis reported that there is a PCC meeting March 12, at 8 p.m. If anyone wants to attend, they are welcome to do so.
- There was brief discussion about how many more representatives should be invited to attend future council meetings. It was agreed that all local legislators should be invited and possibly candidates after the primaries are complete.

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| TOPIC #7 | <i>Executive Session – Litigation Update</i> |
| PRESENTER | |
| NOTES/OUTCOME | |

Council adjourned to Executive Session at 7:45 p.m. after a short break.