

# City Council Pre-Budget Work Session

5:30 PM  
Council Chambers  
January 22, 2014

## ATTENDANCE:

Mayor/Council (please check)  Hanel,  Cromley,  Yakawich,  Cimmino,  Pitman,  McFadden,  Bird,  Swanson,  McCall,  Crouch,  Brown.

ADJOURN TIME: Not noted. Approximate time: 8:15 p.m.

## Agenda

TOPIC #1	<b>Pre-Budget</b> <ul style="list-style-type: none"><li>- <b>2013 Achievements</b></li><li>- <b>FY2015 Proposed Budget Schedule</b></li><li>- <b>FY2015 Anticipated Revenues &amp; Expenditures</b></li><li>- <b>Council Direction/Comments/Questions</b></li><li>- <b>Public Comment</b></li></ul>
PRESENTER	
NOTES/OUTCOME	

- Tina: The single most important act the city council performs is the approval of the annual budget. The annual budget is an expression of the city council's desires on behalf of members of the community, and the services that the council feels we need to provide. We will begin the process or are beginning the process even now for budget preparation that will end in May when staff makes a presentation to council of a proposed or recommended budget from the City Administration. At that time the council will be asked to hold a work session every week to exclusively discuss the budget. That evening staff would like to talk to council about the proposed budget schedule, anticipated revenues and expenditures, and seek information from council on what it may need or want. She referenced her e-mail sent to council the previous day and said she would like to talk briefly about strategic planning and values and the public safety levy. She said, as always, the city departments had gone on providing high-quality services for the residents of Billings, and listed a number of the services. The departments have accomplished many things in the past year, and she wanted to bring them to council's attention. She said Billings had the finest management team she had ever worked with, and they, in turn, worked with their staffs to insure that the best services possible were provided. She briefly went over the 2013 accomplishments for each department.
- Bird: Asked how long the City was contracted with St. Vincent for the exclusive primary health care.
- Tina: Three-year contract with two, one-year renewals. They were in the third year.

- Hanel: Asked if Mr. McCandless was the management representative. Also asked if Ms. Stanton was in the position.
- Ms. Volek: Mr. McCandless was non-voting. He chaired the committee.
- McCandless: Said the chairmanship of the committee rotated among department heads who served on the committee. He did not know if Ms. Stanton had ever been the chair. They have decided this time to have a non-voting member chair the committee so all committee members could equally participate in the discussions and decisions.
- Ms. Volek: The plan was self-insured. The City had employee participation in the plan by contract with each of the unions. Double benefit of involving employees in the decisions and led to other employees being more aware.
- Pitman: Are we being penalized under the Health Care Act?
- Ms. Volek: City is considered to be a qualifying plan under the Health Administration Act. Required to pay \$65 per employee for participation. Employees could choose to go to the state plan if they wanted.
- Pitman: Still get penalized for part of it?
- McCandless: Will need to pay annually.
- Bird: Is it accurate to call it a penalty? What is the fee for?
- Weber: It is a fee to help pay for the Health Care Act. It is not a penalty.
- Ms. Volek: All city employees are required to participate in the City's plan.
- Bird: Would like to see what choices the employees made once they could no longer have Billings Clinic as their caregiver. Is that information available?
- Weber: It was controversial. The consultant provided them with the information, and almost 90% moved to St. Vincent's.
- Ms. Volek: Referenced the Library. It is a building by an award-winning architect and she suspected they would be nominated for awards. It provides far better service to the community using exactly the same number of staff. Will be a library that will serve for a very long time. It is a beautiful building. Library last year added a new hybrid diesel electric bookmobile with American Recovery and Rehabilitation Act stimulus funds to pay the difference between the hybrid motor and regular motor. Educational tool. One of five libraries nationwide to receive a Red Box Building Communities Through Entertainment Grant.
- Ms. Volek: Parks Department continues to provide services expected in city parks. This year they have undertaken a number of other projects due to the Park Maintenance District such as new slides at Rose Park, six refurbished park restrooms, two restrooms replaced, and addition of restroom at the cemetery. Established a new volunteer program and since January 15, 2014, they have completed 7,000 hours of service in the parks at no cost to the city. Arborist and park maintenance worker were hired to begin working on things in the community that had not been done in years, including weed management.
- Ms. Volek: Planning and Community Development: 2,477 building permits issued with a total construction value of \$333,000,000. Code Enforcement has opened 3,300 new cases and closed 3,400, including carryover from previous year. Also handled three court-ordered property abatements. CDBG leverages \$3.7 million in housing, loans, and renovations costs with 16 units renovated and 47 households achieving home ownership for the first time after receiving training. VISTA workers providing service to 21 non-profit organizations and special projects.

- Ms. Volek: Police Department expansion of the volunteer program saved \$300,000 in service costs. Solved the serial rapist issue and home invasion robbery case. Drug Unit recognized by High Intensity Drug Traffic Area for exceptional performance. Have done work with several task forces resulting in several multi-state successes. Annual report is on line.
- Ms. Volek: Public Works had first solar powered signal installed. Construction of 27 private contracts valued at \$15 million. Three miles of street overlay. Twenty miles of chip seal. Fifty intersection corners made ADA accessible. Five-Mile Lift Station. Rimrock Road Widening Project. Back-up generator at WWTP. Replacement of 7,000 feet of water and sewer mains. Pipe bursting program. No increase for solid waste connection and no water rate increase.
- Bird: Status of intersection curb drops program?
- Ms. Volek: Many past intersections did not meet federal standards. Working with the federal government. Project will continue for some time.
- Hanel: What is the comparison of full-time employees from 2012 to 2013?
- Ms. Volek: 3.5 were added last year. Addition of employees over past 10 years has been minimal.
- Bird: Appreciates frugality and creativity with keeping costs low, but (excluding enterprise funds and public safety) where are there gaps in terms of staffing that Council might want to consider when city continues to grow. Is HR adequately staffed?
- Ms. Volek: Thinks there is no General Fund department that would not welcome an additional employee or two. PRPL problems may be solved by the Park Maintenance Fee, and at the end of third year, will need to ask about maintaining the assessment. HR does a tremendous job. Municipal Court still short staffed. General Fund departments are leanly staffed.
- Pitman: What about the clerk's office. A part-time assistant moved to a different department.
- Tina: New part-time clerk was just hired to begin February 3. Administration has been reducing instead of adding. Need to focus on areas that provide direct service.
- Hanel: What is the status of the Assistant Fire Chief
- Ms. Volek: Currently being advertised until the end of February.
- McCall: Going back to health benefits, she would like to know about the satisfaction. How employees viewed the move to the new provider. Her sense was it was probably positive.
- McCandless: Recent comments included problems with timely hospital billing. St. Vincent committed to fixing the problem.
- McCall: What is the status of an on-site clinic?
- Ms. Volek: Depends on new system being brought on-line. Working on it and the plan is to use the St. Vincent existing walk-in clinics spread around the City. They looked at EBMS who wanted them to build a clinic. Hoping majority of employees will find a provider they can use on a regular basis and reduce the number of emergency room visits.
- Bird: Thinks a customer satisfaction survey was really important.
- Ms. Volek: Will investigate if directed by Council. Very limited HR staff conducting a survey would be a burden.
- Brown: Could the survey be done via the web?
- Ms. Volek: A large number of employees do not have access to the web.

- McCall: Could be conducted at the end of year when new information was sent out on the plan. Do not want to spend a lot of detail and money, but would still like facts.
- Weber: Explained the proposed budget schedule and the FY13 budget outcome. \$11.6 million unassigned General Fund balance. Talked about FY15 predictions of revenues and expenses. Could buy Public Safety radios with reserves without making long-term conditions much worse than already predicted. Add 2.9% wage increase, changes point where we fall below recommended reserves from FY18 to FY17.
- Yakawich: Asked for an explanation on higher cable franchise fee.
- Ms. Volek: Paid to the City by the cable company on a per-subscriber basis. In the last two years have changed the provider twice. The real money comes from selling it; not operating it. May be explained by new company marketing hard to gain customers, increasing value of company for sale. Now with Charter. Prior to that it was Optimum and prior to that it was Bresnan. City charges a non-exclusive franchise fee.
- McCall: Regarding Public Safety radios, is there benefit to spread payment out over time?
- Weber: There really is no benefit. If need to buy by February 10, would expect to pay cash because he could not get the financing done that quickly.
- Bird: What is the franchise fee for?
- Ms. Volek: For use of city right-of-way and space.
- Crouch: What is the unassigned balance as of December 31, 2013?
- Weber: Have not gone back and estimated it yet but will do it soon when estimating carryover for General Fund and Public Safety Fire and Police.
- McCall: Will priority based budgeting continue?
- Ms. Volek: Yes, it will continue.
- Brown: Cash vs. financing radios affects long term?
- Ms. Volek: It could make us run short sooner. Staff is OK paying cash for radios.
- Bird: Is there a record of priorities that council has considered in the past? On the General Fund revenue, there is a slight increase over five years; what is that based on?
- Weber: Taxes and Intergovernmental are two biggest sources of revenue. Given history, he has nothing better to say than 1% increase.
- Pitman: After 2015 Legislature meets next year, we'll know where we stand but it probably won't be worse than conservative estimates in this forecasting model. How much are they missing in protested taxes?
- Weber: Attended meeting with County Commissioners and City's share was about \$2 million.
- Ms. Volek: 2014 is a reappraisal year meaning values roll back to what they were six years ago. Then the legislature has to balance its own budget.
- Swanson: What is the relevance of list of priorities?
- Ms. Volek: To compare what other projects are out there the Council might want to fund.
- Bird: Relevance goes to continuity in the Council so when they make suggestions at the time it seemed to be important, they were not starting from scratch. Shouldn't be starting over all of the time.
- Hanel: List doesn't do any good for radio purchasing but could be considered in future budgeting. Might inquire with Tait if a delay is acceptable and keep bid price.
- St. John: Tait has been flexible and thinks they may extend deadline.

- Ms. Volek: Asked Public Works Director Dave Mumford about radio status in Solid Waste, and they're buying Tait now.

Public comments: none

<b>TOPIC #2</b>	<b>Strategic Planning/Public Safety</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- Ms. Volek: Council has values and revised vision statements. Need to take a look at them and be prepared to discuss on Feb 8. Reviewed PowerPoint. Particular attention to “service” recommendation that staff made.
- McCall: Discussed removal of certain words. Asked Council to keep “service” in values.
- Bird: Reads definition of “stewardship” and agrees with McCall. Likes “service” defined by staff.
- Hanel: Any additional language beyond what is being proposed?
- Brown: Put action in the statement, so it’s like the others.
- Ms. Volek: Send any ideas to her before February 2 or bring with on February 8. Changes can be transmitted to Dr. Sipe and be prepared to meet with him on February 8.
- McFadden: What time is February 8 meeting?
- Ms. Volek: Starts at 8:30 and ends about 4:00.
- Ms. Volek: Public safety discussion – passed out a separate sheet for reference. Reviews the levy history. Reviewed PowerPoint.
- St John: Presented workload data that showed Police Department should have 121 patrol officers vs. current 90. Industry standard for measuring workload and number of officers needed to cover that demand.
- Ms. Volek: Discussion on ballot issues.

Public comments:

- **Tom Zurbuchen, 1737 Wicks Lane, Billings, MT**, distributed handout and said he wanted to discuss dollars. First time he had seen the Readers Digest version of the Public Safety Levy. He went back the last ten years and made comparison of the increases in personnel services and operation and maintenance and the next ten years. Used budget book FY2004 and for FY2014 and 2024 he used different scenarios. Referenced Page 2 and Page 3 of his handout. Comparing Personnel Services from 2004 to 2014 they increased 15.7%. Comparing the proposed increases in public services they increased 55%. There are no new people in either scenario. He has asked questions and never gotten an answer since the numbers have been out. He would like an explanation.

<b>TOPIC #3</b>	<b>Council Discussion</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- None

<b>TOPIC #4</b>	<b>Public Comment on Items not on the Agenda</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- None