

# City Council Work Session

February 6, 2006

5:30 PM

Community Center

## ATTENDANCE:

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

CONVENE TIME: 5:31 P.M.

ADJOURN TIME: 10:04 P.M.

## Agenda

TOPIC	PUBLIC COMMENT
PRESENTER	

## NOTES/OUTCOME

- CAL SPANGLER, YOUNG FAMILIES EARLY HEAD START, 1345 ELAINE STREET, said that brochures relating to the Early Head Start program and why the Naval Reserve Center is important to the program were available. He expressed the desire of the program to have the North Park Naval Reserve Center facility for their use, adding that the program would participate in needed abatement and maintenance for the site. He said it is important for the program to get into the building as there are 43 girls waiting for placement. He said those girls are “ready to fall through the cracks.... and have another child and end up on welfare” if they cannot be placed in a facility. Mr. Spangler noted that the central location is important for access to transportation, resources and schools. He asked for the Council’s support. Councilmember Ronquillo asked if Mr. Spangler has considered the Orchard School building. Mr. Spangler said he has considered the site, but noted that a small incline access for the newborn and infant room is required according to code and is not available at the Orchard School. He noted that the School District has provided a location for the program for 15 years, but said the program gets displaced when the School District’s needs for space change. (See Handout C)
- CARLA AMERSON, 2611 VIRGINIA LANE BLDG., spoke on behalf of Young Families and its request for the Naval Reserve Center. The families that receive services from Young Families continually learn to cope with lifestyle changes. It also teaches them how to stay off of federally funded programs. She said the Naval Reserve Center is centrally located and can provide outreach to all areas of the community. Ms. Amerson said these families are a part of Billings’ future and the Naval Reserve Center is an investment in the program through its use as a facility that invests in community growth and outreach. It is far better to utilize an unused space and allow this program to teach these families how to take care of themselves.

- JERI CUELLAR, 1345 ELAINE STREET, said she is a Health and Wellness Specialist for Young Families Head Start. She has worked there for a year and has witnessed the benefits of the program. The participants are able to graduate from high school and further their education through technical colleges and beyond. In the beginning of the program year there were 10 teen parents that dropped out of the program because of the current location. This affects the community overall. She said the Naval Reserve Center is the perfect location and asked the Council to consider Young Families' request.
- MARJORIE ELIASON, 2325 BONNEVAE SQUARE, said she has been involved with Young Families since its inception in 1984. She asked the Council to consider the Naval Reserve Center as a site for this program. She said it is a pleasure to see the success stories that come out of this program.
- SARAH STRITTMATER, 22 MONROE STREET, said she is a parent participating in the Young Families program. She asked the Council to consider Young Families' request for the Naval Reserve Center. She said without the program she would not have graduated and added that she is now looking forward to college. Ms. Strittmater said the program is great for teen moms and parents. It provides a way for them to learn how to take care of their families and improve their lives.
- LANITA BARNHART, 6 HENRY PLACE, said she has been a Parent Educator at Young Families for the last eleven years. She agreed with all of the previous comments and noted that she has seen the number of families served by the program decline due to the non-centralized location. She asked the Council to consider Young Families' request.
- MARSHA GUN, 326 CALYPSO STREET, said she has served on the board for Young Families for seven years. She said the current Beartooth location for the program was chosen in desperation due to lack of an accessible facility. She asked the Council to help the program with the use of the Naval Reserve Facility.
- JEFF OLSGAARD, P. O. BOX 21456, BILLINGS, said he is a Mental Health Consultant for Young Families. He said he works with the families and the staff of this program. To have a successful program, there must be a need which he says is obvious. A successful program format is also required, which Young Families has. He said the biggest issue is the accessibility. Finding a way for these young participants to move forward is problematic when so much of their time is spent traveling to and from the program and associated resources. Mr. Olsgaard said this program helps these young girls become responsible adults. He asked the Council to extend the resources of the Naval Reserve facility to this worthwhile program.
- AUDREY KERSEELY, NO ADDRESS GIVEN, said she is an Early Childhood Intervention Coordinator working with Young Families through the School District. She said the School District has had a wonder collaboration with Young Families for years. The program meets the needs of children with special needs. She supports the request of Young Families for the Naval Reserve Center.
- SANDY KENNEDY, 526 BURLINGTON, said she has worked at Young Families for six years and loves her job. She told a story of a young mother who participates in the Young Families program, has a part-time job and managed to graduate with honors. She said it is important to reach every one of the teen moms that need Young Families' help.

- MONICA ANDERSON, NO ADDRESS GIVEN, said she works at Young Families. She reiterated the need of the Young Families' program for a centralized location a need that the Naval Reserve Center fills. Bus service in that location is more frequent than at the Beartooth location.
- ALICIA LINDSTAD, NO ADDRESS GIVEN, said she has been attending classes at Young Families for three weeks. She said she "loves it there" and has learned a lot about parenting. She agreed that the transportation problems are difficult for her.
- KEN JACKSON, NO ADDRESS GIVEN, said he is a Mental Health Consultant for Young Families Head Start. He said he is impressed with the staff and their loving concern for the children and the young parents. Mr. Jackson agreed that the current location is a great concern. He said it is a long drive from his office across from the Moss Mansion to the Beartooth facility. A central location is critical for this wonderful program, he reiterated.
- JACK JOHNSON, 2303 VIRGINIA LANE, said he is speaking on the Naval Reserve Center. He said the Yellowstone County Council on Aging is also interested in the City's future use of the facility. He said the board members of YCCA have toured the facility and are interested in locating there.
- BOB JONES, 3343 PARKHILL DRIVE, encouraged the City to consider regulating and licensing sexually oriented businesses. There is a very severe need for this, he stated.
- AL LITTERER, 4704 BURLINGTON, said his activities with City/County Planning brought him to research the health problem of addiction to sexually-oriented businesses. He said this addiction is very much like any other drug addiction and is becoming extremely dangerous. He said he is broaching this subject as a community health issue rather than from a religious or first amendment point of view. He encouraged the Council to look at the science of the issue.
- JOE WHITE, 926 N. 30<sup>TH</sup> STREET, said he opposes hiring additional police officers. He said the City needs better trained police officers and should offer training for citizen patrols. He also said the City should provide free parking in the downtown area with downtown merchants enforcing the time limits. He also presented the Council with his proposal for a museum at the 4<sup>th</sup> and Broadway site and a brochure from First Citizen's Bank relating to the 37<sup>th</sup> pendulum built in the world, on display at its downtown location.
- BRUCE SIMON, 217 CLARK AVENUE, spoke about the proposed parking rate increase. He supports raising the rates in the garages because the current rates are too low and the increases can support the construction of new garages. A fresh approach is needed to assess the parking rate increase problem. He said none of the public input at previous public hearings on this matter was ever considered. Mr. Simon asked the Council to not double the street parking rates. This will have a devastating affect on the tenants in his building and the downtown retailers. He said the Council is "playing with people's businesses if the street rates are raised to 50 cents an hour." Using this increase to build a parking garage that is too far away to be convenient to the downtown retailers does not make sense. He asked the Council to consider his comments and not raise the parking rates on the street.
- MAYOR TUSSING said there will be a training for open meetings that will take place in Billings on March 2, 2006 from 8:30 A.M. to Noon at the Billings Hotel and Convention Center. The cost will be \$85.00. Councilmember Veis noted this training will be geared toward State employees.

- With the public comment period concluded, the Council moved to its scheduled agenda items.

<b>TOPIC</b>	<b>MMIA Presentation</b>
<b>PRESENTER</b>	<b>Bob Worthington, CEO of MMIA</b>
<b>NOTES/OUTCOME</b>	
<ul style="list-style-type: none"> <li>Mr. Worthington noted that he handed out a number of items relating to his presentation this evening (See Presentation A). The first document is an outline of the Montana Municipal Insurance Authority (MMIA). He said MMIA is not an insurance agency or organization, but is an interlocal agency that is owned by the City of Billings and 119 other cities and towns across the State of Montana. He said the City of Billings joined this agency with twenty other cities over twenty years ago to obtain liability insurance. This is how MMIA (a pooled risk organization that focuses strictly on municipalities) was formed. He added that the interlocal agreement states that MMIA can only operate with incorporated cities and towns in Montana. The focus is on the services, not just the insurance that is provided to the communities. The insurance coverage that MMIA provides is very extensive and broader than is generally available in the commercial industry. He said MMIA does operate like an insurance organization because it is full-service and has an administrative side, a claims administration service, a specialized service for City Attorneys, and an extensive risk-management/training program (i.e. for new mayors). He stated that MMIA is also a risk retention organization providing programs in the following areas: 1) liability exposures, 2) worker's compensation exposures, 3) property, and 4) employee benefits. He noted the City of Billings participates in the liability program and the worker's compensation coverage program and have done so since 1986.</li> <li>Mr. Worthington said MMIA operates under local government laws and is a government agency set by state statute and is likened to a fire district. He noted there is a similar organization for counties and school districts. Statistics show that nation-wide over 75% of municipalities are self-insured in some form. MMIA is governed by a board of administrators (Deputy City Administrator Bruce McCandless is a board member) from 13 communities from across the state. There are 10 meetings per year with good participation.</li> <li>He spoke about the role and responsibilities of the Mayor and Council with respect to liability and indemnification and immunization of elected officials. He cautioned the Council to be familiar with the state code of ethics and the charter. There are three elements relating to this liability issue that are extremely important: 1) the City does have an obligation to indemnify and defend elected officials <u>only</u> when they act in the course and scope of their work with the City, and 2) there may be <u>no</u> insurance coverage for which the Council is personally liable (because it is outside the course and scope of work), and 3) elected officials can insulate themselves from liability challenges by knowing their roles. He related the background of a lawsuit between a developer and a Montana city and how ex parte communications complicated the lawsuit. He said through the adjudication process it was determined that the developer did not receive due process because of ex parte and MMIA paid a significant seven figure dollar amount to move the project forward. The entire process "raised some eyebrows" about the critical need for elected officials to know and understand their roles. He emphasized that the ex parte communications in land use issues and development must be conducted in an <u>open</u> and <u>public</u> process. When the process is not open is where challenges are seen. Mr. Worthington stated there are in excess of 15 lawsuits against communities across the state that say the public process for land use was not open and obvious.</li> </ul>	

He said the Council must insure that land use issues are open and obvious and brought before the public in a public process and public hearing. Ex parte communications must be exposed and those conversations carried before the public process so that both sides of the issue have a chance to rebut any new or erroneous information.

- Councilmember Veis asked if the entire council receives an email about a land use issue, does it need to be made public. Mr. Worthington suggested that the councilmembers should make that ex parte communication public at the public hearing so opponents have an opportunity to respond to the facts in the communication. He related an example of a meeting in Oregon where the start of every public meeting begins with the mayor asking each commissioner to disclose every activity, conversation or knowledge gained about any issues that is to be discussed that evening.
- Councilmember Veis asked what process should be taken with the ex parte communication if the public hearing has already been held. Mr. Worthington said the councilmembers should work with their City Attorney to get advice on that issue. He said, on the advice of MMIA defense counsel, the council should make decisions as quickly as possible after public hearings are closed. If more information is required, the public hearing can be continued. He added that in land use issues, at best the City will be 51% right. He noted the City of Missoula has been involved in a lawsuit in all 15 of its recent annexations.
- Mr. Worthington noted the summaries in the presentation that include the open liability claims and the open worker's compensation claims for the City of Billings. These charts go back ten years and illustrate the amounts of money paid for various types of claims. He noted most of the claims are with departments that have the greatest amount of impact on individuals. He also noted that worker's compensation claims escalate because they are tied to medical care cost inflation.
- Councilmember Veis asked if MMIA would cover issues of inverse condemnation. Mr. Worthington said MMIA covers land use matters. He said all cities operate with differing capacities and the MMIA board decided that it won't bail out cities that make inappropriate decisions in personnel and land use matters.
- Councilmember Jones asked how far one should go with disclosing ex parte communication. Mr. Worthington advised conferring with the City Administrator, but said the defense counsel working with MMIA suggests disclosing all conversations. If it is a non-land use issue, the communication is not as critical relative to the public element. He added there are minimal challenges to non-land use issues. He reiterated that land use issues require extra caution.
- Councilmember Clark asked if the Council should stay away from meetings with advocates. Mr. Worthington said attendance is not the critical issue. The critical issue would be whether to disclose the meeting and what was discussed.
- Councilmember Ulledalen asked what the Council does with emails that are received from unknown sources on a variety of issues. Mr. Worthington spoke about how the MMIA handles this. All emails are kept in a folder and at a public meeting are disclosed as to the subject and volume. This places them as part of the public record.
- Mayor Tussing asked about the meeting tomorrow regarding the land use issue with Rimrock Foundation where the Council is invited to attend. He asked if the Council should or should not attend. Mr. Worthington said if he were "in the Council's shoes" he would want to be part of the public process. As long as there is a way to give complete public disclosure about what transpires and the Council is only going there to gain additional information, it would seem appropriate. Councilmember Gaghen noted that this particular land issue has had a public hearing and it has been closed. The meeting was planned to search for common ground among the concerned citizens and the applicant. Mr. Worthington said many communities are taking extra steps to

hear/hold those type of processes at a council meeting. He said if the proposal changes, the City should hold another public hearing. Councilmember Boyer said it is clear that the Council must operate in public at all times. Councilmember Jones asked for City Attorney Brent Brooks' opinion on attending the open meeting tomorrow. Mr. Brooks recommended that the Council not attend the Rimrock Foundation neighborhood meeting for two reasons: 1) if there is a quorum (six or more of the Council) at the meeting it must be advertised, and 2) if the Council simply listens, it may still be using some of the information to make its decision. That would need to be identified at the public meeting where the Council will be making the final decision. He added that the Council will have to accurately detail what it heard and what it is basing its decision on to allow every one to know those facts. Mr. Brooks also recommended that any emails received by the Council should be identified as to who it is from, the subject matter and copies of the email should be made available. This gives any party the opportunity to rebut or correct the information that was received. He said *ex parte* communication is an evolving and immersing area of concern in Montana and no one at this point "has a handle on this."

- Councilmember Clark asked what would happen if a new proposal comes out of the public neighborhood meeting with the Rimrock Foundation land use issue. Mr. Brooks said any new proposal must include allowing the public the opportunity to comment on and know about any new information the Council is basing its decision. Another concern would be whether the applicant could actually change their application without a new process.
- Councilmember Boyer said the Council has a role to gather any new information and represent the constituents that elected them. She asked if the Council can reopen the public hearing and disclose any additional information it has received. Ms. Volek cautioned that the meeting on 2/13 has not been noticed as a public hearing and it is too late to do so. Ms. Beaudry said the 30-day extension to make this decision will expire on 2/23/06. Ms. Volek said a special council meeting may have to be held. If the public hearing had been continued, the Council would not have this concern. In summary, Mr. Brooks said if the decision is quasi-judicial concerning other's property rights, the Council must remember that the public has a right to know and observe how it makes its decisions and to hear the information it has based that decision upon.
- Mayor Tussing noted the concern is that the public hearing was closed. In the future, the Council may want to continue the public hearings or plan for additional public hearings.
- Councilmember Jones asked if the Sexually Oriented Business issue would fall under this same *ex parte* requirement. Mr. Brooks said "yes it would."

The Mayor called for a recess at 6:40 P.M.

The Mayor reconvened the meeting at 6:53 P.M.

<b>TOPIC</b>	<b>Public info/public meetings</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	
<ul style="list-style-type: none"> <li>• Mayor Tussing announced that this item is being delayed and will be rescheduled for March 20, 2006. Interim City Administrator Tina Volek noted this was with the consent of the media.</li> </ul>	
<b>TOPIC</b>	<b>Downtown Parking Rates</b>
<b>PRESENTER</b>	<b>Liz Kampa-Weatherwax</b>

## NOTES/OUTCOME

- Parking Manager Liz Kampa-Weatherwax gave the presentation.(See Presentation B). She introduced the Parking Advisory Board (PAB) members in the audience. She noted this is the seventh public meeting on the Parking Rate Increase Proposal. Feedback from the meetings was “all over the board” and was via phone, email, in person, on the street, and in every location. These comments ranged from “leave the meters alone”, “raise the garage rates” to the opposite and everything in between. She noted that she has copies of all communications, and this information is public information.
- Ms. Kampa-Weatherwax said the last increase went into effect in January 2001 when the meter rates were increased from \$.10 to \$.25 per hour and the garage hourly rates were decreased to \$.25 per hour. The garage monthly rates were increased with varied rates and group discounts were instituted to encourage utilization of the garages and move long-term parkers off the streets and into the garages or lots. She presented the Parking Division’s revenue history from 1998 to projected 2006. Meter collections increased from \$127,000 to \$224,000 with the rate increase. The garage revenue increased even with the discounts. Garage hourly revenues decreased because there was no incentive to park in the garages with the street parking being the identical rate. She noted violations increased, in spite of two increases in fines, with no obvious reason. She said the Parking Advisory Board believes that the changes made in the last four (4) years have successfully served as a deterrent in a number of areas.
- Councilmember Gaghen asked if parking violations are being successfully collected. Ms. Kampa-Weatherwax said the Parking Division is struggling with collections averaging about a 43% collection rate on tickets. There are a number of options the Parking Advisory Board is considering, one is to use a collection agency. State law does not permit adding collection fees to tickets which creates a problem with collection. She added that the “booting program” is successful and is geared toward habitual offenders. This program is scheduled to be restructured to be used more frequently.
- Ms. Kampa-Weatherwax said on-street parking is the City’s greatest asset and should be at a premium. The parking rates should be structured to accomplish several goals: 1) to discourage the use of long-term parking, and 2) encourage on-street parking to remain open for downtown customers and not deter them due to high rates. She said the division and board are looking at ways to best accommodate all impacted parties (customers, merchants, business owners) and increase revenue to pay for capital projects occurring in the downtown. She noted the meter plugging violation policy has been reinstated but does not seem to be deterring “space hopping” by downtown employees. Space hopping is a matter of convenience and economy for many downtown parkers. The City needs to make it more economical to park in the parking garages and lots for this group of people. Ms. Kampa-Weatherwax said the downtown area does have 132 10-hour meters, many of which are not heavily used. She said the Parking Division is always looking for additional areas to expand the 10-hour meters when a garage or lot is not in a convenient location for a group of employees. She said there are four (4) City parking garages and five (5) City parking lots. She noted that Park IV (Transwestern/Interstate bank area) is the only garage not yet filled to capacity. Park IV is at 83% capacity and the other three garages are at well over 100% capacity with lengthy waiting lists.
- Councilmember Veis asked how many on-street parking spaces are in the downtown area. Ms. Kampa-Weatherwax said approximately 2,000 to 2,500. Councilmember Veis asked how many it

is estimated are being used by downtown business employees. Ms. Kampa-Weatherwax said 50% of long-term parkers that are employees in the downtown area are currently using on-street parking. In the busiest sections of the downtown, the rate could be 66%. She said statistics show that most people in this society do not want to walk for more than 90 seconds in a downtown setting.

- Ms. Kampa-Weatherwax said the Park II expansion project will have to be financed with a rate increase. It is estimated that construction will cost \$7.5 Million and noted that the project has been “in the works” for nearly a decade. Bids were recently opened, but all bids came in \$2 Million over budget which included the rate increase. She said the project will be rescoped and rebid.
- She said the Parking Fund is an enterprise fund and currently operates at a profit. Seventeen percent of the revenue goes into the General Fund with the rest used for operation and maintenance, capital projects, and upgrades. The additional revenue that would be created with the rate increase will be used for parking capital projects such as Park II expansion and the garage condition remedial work. She said major maintenance was completed in 2005 on the parking garages and must be done every five years. There is \$3.5 Million in reserves for capital projects which must be built up. Revenues are used for heavy maintenance not included in the Capital Improvement Plan (CIP) such as the ADA upgrades and for current operations and maintenance.
- Ms. Kampa-Weatherwax said the Parking Division operates at \$225,811 over current expenditures each year. Current reserves are at \$3.5 Million and it is anticipated that bond financing will be \$5.5 Million for the CIP projects coming up, such as the Park II expansion and proposals at 4<sup>th</sup> & Broadway. She noted there is \$9.1 Million in anticipated CIP capital projects for FY2006. She noted that if additional monies were available to construct the Park II expansion at the current bid amounts, the Parking Division would not be able to participate in any development that occurs at the 4<sup>th</sup> & Broadway site. Councilmember Gaghen noted that the future transit center on the former Wells Fargo drive-up bank site really commits the City to the Park II expansion project. Ms. Kampa-Weatherwax agreed that is a critical issue. She said there was a meeting with Collaborative Design personnel and Staff to determine where the extra costs in the recent Park II expansion bids were because there are a number of issues that are “riding” on this project. Ms. Volek noted that the City closed on the former Wells Fargo drive-up bank site. The City has a certain date (April 2007) that Wells Fargo must move from their current site to the new site at Park II. She noted construction costs have increased dramatically in recent months (she noted the coming 2/13 agenda for bids that came in over budget) making it difficult to accurately predict what real costs are going to be.
- Ms. Kampa-Weatherwax said the FY2007 projected budget is estimated for a full year, but the debt service is a partial year. The estimated revenue after expenditures and debt service would be a negative \$263,000. The estimated Park II Expansion, 4<sup>th</sup> & Broadway and rate increase revenues would total \$531,605 after expenditures. She noted there are CIP projects in place for FY2007 in the amount of \$575,000 which includes additional garage and downtown parking repairs. She noted that the Parking Division and the Parking Advisory Board are looking at accomplishing more than one goal with the rate increases, but the rate increase is not the main objective. Councilmember Boyer asked if the City can take on more debt at this time. Ms. Kampa-Weatherwax said without the rate increase, “no”, with the rate increase “maybe”. There may also be additional opportunities to build up the reserves for a new parking structure in 5-6

years. Mr. McCandless noted that the debt service figure of \$476,000 is based on the \$5.5 Million bond for the Park II expansion assuming that \$2.5 Million from reserves can be used. Obviously because the Park II expansion project is higher than anticipated and with the revenue projections for future years, the net income is somewhat higher than the City currently has and could allow the City to take on additional debt above the \$5.5 Million that is projected for the expansion. That is one possibility that the projections show. Ms. Kampa-Weatherwax noted that an unknown amount of reserves and coverages will be needed for the debt service to guarantee the revenue bonds.

- She explained the current rate structure for the parking meters ranging from \$.10 to \$.50 per hour. She noted that the “green” meter income, at \$.50 per hour, is split with the Downtown Billings Association (DBA) for various downtown beautification projects. Most meters are currently \$.25 per hour, but there are some in the downtown that are already at the \$.50 per hour figure and are heavily utilized. She said the proposal for the meter rate increase includes: 1) \$.50 per hour at all parking meters with the exception of the 10-hour meters raising those to \$.25 per hour, 2) changing parking permit fees on 10-hour meters from \$17.00 per month to \$20.00 per month (and consider pro-rating by  $\frac{1}{2}$  month) to encourage permit use, 3) continue splitting the “green” meters with the DBA, and 4) parking lot meters and 27<sup>th</sup> Street lot meters would be \$.50 per hour.
- Councilmember Gaghen asked if the policy of free parking on Montana Avenue will continue. Ms. Kampa-Weatherwax said this subject comes up at every public meeting. The Parking Advisory Board has determined that this issue should be tabled and addressed it at a later date.
- Ms. Kampa-Weatherwax said the current rate structure for all of the garages is \$.25 per hour and discounts are applied for group rentals. She noted that most spaces in Park IV are rented by United Properties at a reduced rate. Currently, reserved spaces are not charged at a premium. The proposed garage rate structure includes: 1) \$.25 per hour for the first two hours and \$1.00 per hour thereafter to encourage short-term customer use and discouraging long-term use, 2) increase monthly parking by \$5.00 per space except for assigned reserved parking which will increase to \$100.00 month. She showed comparable rates for parking in several cities in Montana and neighboring states. On average, Billings falls \$18.20 per month under average garage rate rental. On average, the comparable cities are \$.55 per hour for on-street parking, \$.65 per hour for off-street. Using the lowest comparable rate, the City is running \$.30 per hour behind for on-street parking and \$.15 per hour behind for off-street parking. National averages for municipal parking rates indicate Billings falls behind in every category.
- She said the revenue projections do include the 10-hour meters, but they are not being collected as a separate entity. The proposed additional revenue that could be created with the rate increases would be \$602,605 for all categories. This projection assumes that all reserved spaces would remain rented with the proposed 100% increase, adding that is not realistic. She noted the current revenue for meters is \$250,000 per year and her projections show that nearly doubling.
- Ms. Kampa-Weatherwax said the proposal leaves the rates at Park IV the same until the garage is filled to capacity, with the exception of the assigned spaces. The proposal includes discontinuing the group rental discounts in the other garages. The Parking Advisory Board would like to schedule the opportunity to revisit the rates with the Council every other year. The proposal includes pro-rating for the 10-hour meters and proposing the assigned spaces have new signage stating “24-hour/day” and the space numbering redone.
- She addressed the question asked earlier relating to additional staff members required to enforce

the “zone” method that Missoula currently uses. The additional costs would be \$65.50 for each additional officer, ongoing costs for salary and benefits, and the equipment costs for scooters, handhelds and radios (that have a 10-year useful life).

- Councilmember Ruegamer asked if City employees receive free parking. Ms. Kampa-Weatherwax said City departments pay for employee parking at a group discount rate. Councilmember Ruegamer said a constituent alleged that an entity was turned down when it asked for 100 spaces in the new garage. He asked if that was true. Ms. Kampa-Weatherwax said the entity was not turned down, and in fact was advised there would be no problem renting those spaces to the inquirer. What was actually said was that there is nothing in place that can guarantee spaces prior to construction. There will be no problem providing those spaces once Park II is complete.
- Councilmember Boyer said she is concerned about the impact on downtown retailers and asked for input from the Downtown Billings Association about the rate increases. Ken Nicholson, DBA and PAB member, said parking rates are always controversial. Parking is very important to maintain the downtown viability. He said the Parking Advisory Board does not believe the rate increase will deter shoppers because most of the shops are specialty stores and shoppers come to them as a destination. Some of the merchants actually believe it is true that their clients will not be deterred. The City’s rates are currently very low when compared to other cities throughout the country, he added.
- Councilmember Ulledalen asked if shoppers tend to use the garages. Ms. Kampa-Weatherwax said they do usually, depending on the type of shopper and the length of their stay. Park I and III are used by the typical shopper.
- Councilmember Boyer asked about safety in the garages. Ms. Kampa-Weatherwax said the garages have security that patrols the garages day and night. She believes the downtown shoppers (female) may not be aware of the convenience and economy of the garages. She agreed that parking incentives would be emphasized, such as “Park N Shop” and the token program. She said that in talking with other parking professionals, the problem with parking in the downtown is usually not price, it is lack of availability.
- Councilmember Ulledalen asked about the 600 block of N. Broadway, why 2-hour meters were placed there and wouldn’t 10-hour meters be more appropriate. Ms. Kampa-Weatherwax said the Parking Division is constantly looking for areas of low usage to place 10-hour meters. This particular area was competing with the Diamond Parking business nearby and the 2-hour meters were installed at his request and to be a good neighbor.
- Councilmember Boyer asked how the free parking on Montana Avenue is equitable. Ms. Kampa-Weatherwax said the merchants on Montana Avenue petitioned this request several years ago. The petition request was granted and she feels there would be a “great battle” for the City to reinstate meters in that area. A number of people believe the reason Montana Avenue has redeveloped so successfully is due to free parking. She added that business owners on Montana Avenue say there is the same parking problem there also (lack of availability). Mr. Nicholson said Montana Avenue business owners have a better management program to keep employees and owners out of the on-street parking spaces. If that program were established in the downtown area there would be a better parking situation there also. He said the DBA will be “tackling” this problem in the next year.

- Councilmember Gaghen asked if it would be practical to review and assess the impact of the rate increases in one year rather than two. Ms. Kampa-Weatherwax said this issue has been “in the works” for nearly a year and that suggestion would require more public meetings and discussion forums and additional time for council action. She said the Parking Division would probably be reviewing these impacts every year, but wanted to forewarn the Council that in two years the Parking Division may have to come back to the Council with recommended changes.
- Ms. Volek noted that Park II will be built based on the proposed revenue increases and to roll those increases back in a year would put the City in a serious financial situation relative to the revenue bonds. Councilmember Ulledalen noted that the Council may have to revisit the rate structure in a year if the assumptions for the rate increase proposal are found to be incorrect and in order to meet the bond payments. Ms. Kampa-Weatherwax said the rate increases in 2001, as for this year, are based on behaviors that are observed in the downtown. Ms. Volek said this item will come to the Council on March 27<sup>th</sup> for discussion, public hearing and action. She asked if the Council has additional areas it would like to be reviewed before that meeting. Councilmember Jones asked the Parking Division to look at automated parking garage costs and benefits. Councilmember Boyer said she would like to see what the DBA and downtown owners could do to reduce downtown parking abuses. Ms. Kampa-Weatherwax said internal control is important, but it is not occurring. She has encouraged this control at all of the meetings with little results.

<b>TOPIC</b>	<b>Naval Reserve Center</b>
<b>PRESENTER</b>	<b>Bruce McCandless – Deputy City Administrator</b>

#### **NOTES/OUTCOME**

- Deputy City Administrator Bruce McCandless said the City has received official correspondence from the Navy that it does not intend to abate any of the environmental problems at the facility. The City is in the process of consulting with legal staff inside and outside the City to draft an official response to the Navy on this issue. The City Staff and some local representatives of the Navy do not agree with the response from the Navy. He said the City has continued to look at the facility for use by City departments and there is some level of interest. There is also some interest in the land by a department. He noted cost estimates have not been projected. Mr. McCandless noted that the boiler system has been repaired so the facility can be considered for use. There have been expressions of interest from outside organizations tonight and via contact with Staff members. The City has not confirmed with any of the inquirers that the space is available, when it might be available and at what cost.
- Councilmember Ronquillo asked if the City has an estimate on the cost to remove the asbestos. Mr. McCandless replied, “no because the City does not actually know the extent of the asbestos in the building.” He said there is conflicting information about when the last assessment was done and what was removed and what remains in the building. Local Navy officials told the City it would be willing to send in a new assessment team to better identify the level of contamination. In the interim, the City received a letter stating the property was now the responsibility of the City. Councilmember Gaghen noted that Ekle Barfield is a past commander of the Navy and might be able to assist the City in navigating the Navy bureaucracy.
- Councilmember Jones said he is concerned about “letting this property out” because it is still the City’s liability. He asked if the congressional staff has been asked to be involved in this issue. Mr. McCandless replied, “no, but it has been discussed internally.” The advice is not to involve

them at this point, but it is an option to pursue.

- Councilmember Ulledalen asked what would be involved if the facility was leased to multiple tenants (City or outside organizations) relating to Fire and Safety codes.
- Mayor Tussing asked about the status of the response back to the Navy. Mr. McCandless said the City is near completion of its research on the legal portion and a response will be soon. The City can ask for a prompt response from the Navy. Mayor Tussing asked for clarification of the City's potential use of the facility. Ms. Volek said the Detective Division of the Police Department and Code Enforcement have expressed interest in relocating there. The Fire Department has also noted that the land could be used as a potential site for an Emergency Communications Center. However, she noted there are issues attached to this interest beside the asbestos issue. If the Council desires to keep the facility for City use, the Staff would need to calculate the cost issues. She added that the Communications Center would have to demolish the building, but the land is ideal for that department.
- Mayor Tussing asked if the facility can be sold. Mr. McCandless said the building might be sellable and the land leased on a long-term lease. He said there may be concerns about selling the park land because it is unknown under what conditions it was dedicated to the City. Facilities Manager Saree Couture said the lease in 1946 with the Navy contained a clause that the Navy would return the facility in the same condition it was prior to the lease. However, the 1976 lease did not contain that clause. She believes that the City can exert enough pressure to require them to follow through with the Navy's original commitment. Councilmember Jones said the City departments should occupy the facility due to critical space needs. Ms. Couture said the facility currently would only lend itself to 12 Staff members.
- Councilmember Boyer said Young Families should be considered for the facility due to its great need and service to the community.
- Ms. Volek said the Staff would collect the cost data to move the City departments to the facility and report back to the Council at about the same time as the report on the asbestos is available, probably at a future work session.

<b>TOPIC</b>	<b>Gateway Triangle</b>
<b>PRESENTER</b>	<b>Dave Mumford – Director of Public Works</b>
<b>NOTES/OUTCOME</b>	
• Director of Public Works Dave Mumford said the City worked with the residents in the Gateway Triangle area last year to ascertain what was desired for a Special Improvement District (SID) (See Presentation D). Councilmember Veis asked the Staff to research other funding sources to assist the residents with the high cost of the SID. The boundaries of the SID are South 27 <sup>th</sup> Street, 1 <sup>st</sup> Avenue South, S. 23 <sup>rd</sup> Street and 7 <sup>th</sup> Avenue South. The Planning Department took the lead in several planning meetings with the Gateway Business Triangle group. There were several other meetings to discuss funding options, identify priority streets and reviewing SID options. The Staff brought to the Council in October 2005 five options: 1) create an SID for the entire Gateway area and waive the policy for crediting landowners for existing improvements (which Mr. Mumford noted the City does not have funding for because the streets were never built to City standards and they are not maintainable), 2) create an SID for entire Gateway area and maintain policy for existing improvements credits, 3) create an SID for priority streets (S. 24 <sup>th</sup> Street, 4th and 5 <sup>th</sup>	

Avenues S.) and waive policy, 4) create an SID for priority streets and maintain policy, and 5) do nothing. He noted that the Council-adopted SID Policy is that the adjacent property owner will be responsible for the development of the residential street section that is not complete.

- He said the total cost of the project is \$8.6 Million with the City contribution of \$3.5 Million leaving the proposed SID cost for property owners at \$5.1 Million. The Staff was asked to research how ½ of the SID cost could be funded by the City through other funding sources. Because of the condition of the streets, state funds are not available. CTEP funds for sidewalk would not be available until 2007 or later. He said there are no arterials, so the arterial construction fees are not applicable. Street maintenance fees are also not available because state statute does not allow those assessments to be used for anything other than maintenance. Storm sewer assessment fees are also available and are already being considered in the \$855,000 City contribution. He said gas tax is available and the Staff reviewed the 2006/2007 gas tax projects. There will be \$3 Million available after July 1, 2006 and \$2.2 Million available after July 1, 2007 for projects. He said projects like Bench Blvd., Lake Elmo (Main to Hanson), Grand Avenue acquisition of right-of-way, Moore Lane (which failed this year so \$172,000 is available for reallocation in the CIP), costs for Miscellaneous Curb and Gutter program, Chip-Seal program, School Route program, PAVER program and \$500,000 for compliance with ramps in the ADA settlement (\$8 Million total) will utilize the gas tax funding allocations for 2006 and 2007. He said gas tax is completely allocated six years out in the CIP. He asked the Council which projects it would consider deferring to assist the Gateway Triangle citizens.
- Mr. Mumford said the neighborhood consists of: 14 owner occupied homes (CDBG program eligible to pay SID fees) and a total of 85 properties (where several properties are owned by a single owner as commercial properties). The SID would be \$550.00 per year per lot for the full assessment. Some properties that are larger (several lots put together) could be in the range of \$1,200.00 to \$1,600.00.
- Councilmember Veis asked how the Miscellaneous programs and the ADA assessment are prioritized. Mr. Mumford said the Miscellaneous Curb and Gutter program is instituted when the need arises due to concerns for liability from accidents caused from tripping. That is paid by the property owner unless they cannot afford it; then the City does the work and assesses the property owner over time. The ADA ramps are being prioritized according to need, where the areas without any ramps are first. He noted that in 1992 Public Works determined that a rehab/overlay doesn't count as a reconstruction (which would upgrade the ADA ramps), but the federal government does consider that a reconstruction so ADA ramps must be brought up to standard. Every road that has been reconstructed in Billings since 1992 has not received ADA upgrades. He said some of the ADA monies could be diverted to ADA ramp construction in the Gateway Triangle area.
- Councilmember Ulledalen asked if narrowing the streets reduces the costs. Mr. Mumford said the current street widths are too wide and could reduce some costs. He said the City's next step would be to send a letter to all of the residents in the SID area and ask what they are willing to pay for.
- Councilmember Ronquillo said nothing has been done in the Gateway Triangle area for years and there were not enough people at the meetings to give a fair response to what the property owners want in the entire area. He asked that this area be treated like every other area in the City. Mr. Mumford disagreed with the accusations and spoke to correct the misconceptions about what has been done in the area. He said the City "has gone into that area with sweeping, cleaning storm

drain outlets and patching potholes in the area for a long time.” The best way to get a response from the entire area is to ballot all of the residents, he said. If 51% of the residents support the SID, that would cause the City to create the SID.

- Mr. Mumford reiterated that there is no “pot of money out there” to assist funding this SID. The only option is to defer a project that is already slated for gas tax funding and replace it with the Gateway Triangle project. The gas tax funding slated for the failed Moore Lane project of \$172,000 is available. Ms. Volek said approximately \$225,000 from gas tax funds could be applied to the Gateway project.
- Councilmember Ulledalen asked about the possibility of a Tax Increment Fund (TIF) District. Ms. Volek said there are currently three potential TIF districts being discussed at this time: 1) the N. 27<sup>th</sup> Street district which would not extend far enough, 2) the East End through BSEDA which could potentially be expanded, and 3) the County considering an industrial TIF as a way of turning the improvements at Conoco into improvements at MetraPark (roof, etc.). She said these two parcels (Conoco and MetraPark) will have to be linked into a district to get the benefit. These TIFs are at least one year from actually happening however and Public Works is scheduled to start the Gateway Triangle work this summer.
- Mr. Mumford said if the Council does not give direction regarding balloting the residents to find out what they want to proceed with, the current water and sewer projects will need to be delayed for at least a year. Staff Engineer Andy Mattie noted materials are already purchased and stored and a contractor in place in anticipation of the project. Mr. Mumford said a delay of a year would be an inconvenience, but if a better funding solution can be found the current funds can be set aside for later use.
- Councilmember Gaghen asked how a narrow street can be built with such large existing boulevards. Mr. Mumford said the entire street must be torn out and a base built up for the new narrower street section. Councilmember Veis suggested postponing the project to see what might come of a potential TIF district. If there are no other benefits, the City should proceed. Ms. Volek noted that the East End TIF could take 2 years to form.
- It was asked whether a TIF could be used for road construction in 2007. Mr. Mumford said those tax funds could be used, but the taxes would not be received until FY2009.
- Council directed the Staff to change Option 1 to include the monies from the failed Moore Lane project (\$172,000) and any ADA monies available to the City contribution and ballot the residents for their choice. A public meeting will be held to explain the ballot options.

<b>TOPIC</b>	<b>City Administrator Search</b>
<b>PRESENTER</b>	<b>Bruce McCandless – Deputy City Administrator</b>
<b>NOTES/OUTCOME</b>	
<ul style="list-style-type: none"> <li>• Deputy City Administrator Bruce McCandless said Councilmember Boyer had a proposal to present to the Council (Handout E). Councilmember Boyer said her recommendation, from direction she has received, is to have some kind of search for the City Administrator position. She quoted the Recruitment Guidelines Handbook that states “don’t limit your recruitment and investigation to ‘home towners’ or single candidates.” The process should include <i>citizen input, Staff input, criteria for the position, establishment of the geographic scope of the recruitment,</i></li> </ul>	

*compensation offered and length of search, recruitment of applicants and the selection.*

- Councilmember Boyer suggested inviting a Citizen's Committee to participate in defining the qualities and competencies desired in an administrator. The business, cultural, non-profit and public communities should be represented on the committee. The committee should stay under 15 members to be manageable. She said the Mercer Group could assist by facilitating the public meetings that would receive the public input.
- Staff input from department heads should be received by the policy body through surveys, interview or other means. The elected body specifies what competencies they would like to see in an administrator after receiving input from citizens and staff. This criteria must be clear in the current job description which will be used in the selection portion of the process.
- Councilmember Boyer said the Mercer Group could assist the City with advertising the position and reference checks if it is desired. Final candidate references should only be handled by the Council. Support staff may be needed to assist in the recruitment portion of the process.
- Councilmember Boyer said the Council should be in charge of the selection portion of the process, reviewing all applications and interviewing the finalists. She emphasized that the Council would make the final decision.
- Councilmember Ulledalen said the process should be well organized. The Council needs to identify the competencies that are desired. He asked what amount of public participation should be involved.
- Councilmember Jones said he thinks Councilmember Boyer has good ideas. It is critical for the Council to strategically plan, set goals and hire an administrator that can accomplish the goals. He said the previous goals were not good and need to be greatly improved.
- Councilmember Ruegamer noted that waiting to hire an administrator only inhibits the hiring of the department heads. He said the Council needs to set goals together. He said he liked Councilmember Boyer's process. He added that Rocky Mountain College hired someone who isn't an educator and the City should take a cue from that and think along those lines.
- Councilmember Clark agreed on strategic planning first before the selection process. He said the budget will intervene. Mayor Tussing added that if the Council does not know where it wants to go and be, how can it pick an administrator. He said he likes Councilmember Boyer's process and thinks the public process should get started.
- Councilmember Veis suggested hiring someone to guide the Council through the strategic planning process.
- Councilmember Ulledalen cautioned about being careful with citizen participation as they may not give the Council an administrator, but a chamber president.
- Councilmember Gaghen said she wants a public process, but thinks it needs to get started soon.
- Councilmember Ulledalen said the Council should start on the core competencies and also decide on how much and when the Council wants citizen participation.
- Councilmember Jones clarified that he wants to delay the city administrator selection but move ahead quickly with the strategic planning.

<b>TOPIC</b>	<b>Strategic Planning</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	
<ul style="list-style-type: none"> <li>• Councilmember Boyer preferred Magellan for its specificity. Councilmember Jones preferred the other group (FLA). Councilmember Boyer said she does not like the compressed time that FLA uses. Ms. Volek said the Staff would produce a side-by-side comparison by the end of the week. Councilmember Boyer said private sector experience is needed.</li> </ul>	

#### **Additional Information:**

Councilmember Veis suggested moving the agenda review meetings to Monday. The majority of the Council was not in favor of this. Agenda review meetings will continue on Tuesday evenings.