

City Council Special Work Session

May 30, 2006
6:00 PM
3rd Floor Library

ATTENDANCE:

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

CONVENE TIME: 6:40 P.M.

ADJOURN TIME: 8:20 P.M.

Agenda

TOPIC #1	PUBLIC COMMENT
PRESENTER	
NOTES/OUTCOME	
• Councilmember Veis handed out information on the “Clark on the Yellowstone” event scheduled for July 21-24, 2006, for anyone interested in volunteering for the event.	
TOPIC #2	BOARD & COMMISSION REPORTS-Temporarily Suspended
PRESENTER	
NOTES/OUTCOME	
TOPIC #3	BUDGET WORK SESSION – Aviation & Transit Budget
PRESENTER	Bruce Putnam, Tom Binford, Kevin Ploehn, Ron Wenger
NOTES/OUTCOME	
• Mr. Putnam, Director of Aviation & Transit presented his 29th and last budget presentation. The presentation was prepared by Mr. Binford, Ploehn and Wenger.	
• Mr. Binford, Assistant Director of Aviation, said that the Airport and Transit are separate divisions within one dept. The expenses and revenues for the Department are:	
○ Airport: Revenue \$14,426,249; Expenses \$14,488,304	
○ Transit: Revenue \$4,374,475; Expenses \$5,081,485	
• Mr. Ploehn, Aviation & Transit Business Manager, stated that enplanements have increased during the past year. Councilmember Veis asked why there was a big jump in 2004-2005. Mr. Ploehn answered that the increase is due to a good local economy and new airlines coming into the City. The increase of enplanements is responsible for an increase in concessions through car rentals, gift shop, restaurant and parking in the amount of \$330,000. The airport also realizes revenues from	

building and ground rentals. The main source of income is still the airlines, which guarantee the bottom line. The airlines are charged whatever amount is remaining after the non-airline revenues are subtracted from the costs. Councilmember Veis asked if this is a standard practice for airports. Mr. Ploehn responded that about one-half of the airports use this process. If they generate more revenue than budgeted they would return that additional revenue back to the airlines.

Councilmember Gaghen asked if the rate is the same for all airlines or if it is based on the number of passengers. Mr. Ploehn answered that there are two rates. Those airlines that sign a long-term contract get a lower fee than the airlines signing a short-term contract.

- Mr. Ploehn explained the reason for the inter-governmental revenue drop from FY06 to FY07. The AIP program dropped about \$3 Million from last year. The MET received \$4.4 Million in Federal grant monies for the transfer center last year and will not be receiving that amount this year. The amount of the grants changes every year.
- Mr. Ploehn explained the expenses involved in maintaining the airport, surrounding buildings and runways. Airport security is required by the federal government for public safety. The total expenses for the FY07 Budget are \$14,488,304.
- Mr. Ploehn then presented the Transit budget. The MET transportation revenue comes from property taxes, Federal and State grants, operating subsidy, fares and advertising. Total Transit revenues for FY07 are estimated at \$4,374,475. The MET operates and maintains 25 buses, with a ridership of 660,149 passengers. The total Transit expenses for FY07 are projected to be \$5,081,485. Mr. Ploehn explained the \$707,010 total expenses over revenues. These expenses are an overage due to capital, operating and maintenance, fuel, allocated liability and utilities.
- Ron Wenger, Transit Manager, began his presentation with information on the new downtown transit operations center. They have begun work with the CTA team on designing the \$5.6 Million transfer center. 55% of their current ridership requires transfers. This facility will benefit those riders. Fuel costs continue to be a major expenditure for the Transit system. The increased fuel costs have boosted the fixed route ridership by 5% and Paratransit by 7%. FTA revenues are scheduled to increase over the next four years. The growth of Billings offers an additional challenge to meet the needs of citizens. The MET cannot expand the current routes without dropping service elsewhere. Mr. Wenger said they have recently purchased a new software system, AVI, which enhances their dispatch system.
- Councilmember Gaghen asked if bus rates have risen with the fuel costs. Mr. Wenger replied they have not raised rates for many years and will continue to watch the fuel costs and return to the Council if raises are needed.
- Councilmember Brewster asked if the Transit Department had ever considered express routes across town to eliminate transfers and shorten the total time. Mr. Wenger replied that people will only walk two to three blocks to catch a bus and express routes would reduce overall rider ship. Councilmember Veis asked if the department would be selling any surplus equipment this year. Mr. Wenger answered they would only have one bus in excess this year and may wait until next fiscal year to sell it.
- Councilmember Veis asked if Mr. Wenger had heard anything more regarding the Exxon-Mobile consent decree. Mr. Wenger said the Federal APA is still trying to determine what is eligible for this money and that has not yet been determined. He's hoping that it will be something like biodiesel. It is to be something that helps the environment. Billings' buses are so new that the only chance to receive the funds would be through a fuel approach. Councilmember Boyer asked if the Paratransit fare is different from the regular bus fare. Mr. Wenger said ADA sets the charges and Transit can only charge twice the regular bus fare.
- Mr. Binford discussed the airline losses of \$42 Billion over the past 5 years. In spite of airline problems the Airport is in very good shape. The Airport has a captive market of 186,000 people.

The facilities are in good shape. This year they will be upgrading the ramps, taxiway and will replace aircraft ramps. Later this year they plan to update the 20-year old master plan. One of the issues to be addressed is automobile parking. A parking structure is probably in the future. He reminded the Council that even though Aviation and Transit are separate divisions they work together as one team.

- Councilmember Veis asked if the Airport could use the PFCs for the parking ramp. Mr. Binford said that the PFC funds must directly support the airlines. Revenue bonds (backed by the airlines) will be needed. The overflow parking was used only during holidays, but is now in use on a weekly basis.
- Councilmember Stevens said she heard the terminal building is the busiest building in Montana. Mr. Binford said that 1.4 Million visitors and/or passengers pass through the terminal each year.
- Councilmember Veis asked if they would consider a shuttle from the long-term parking lots. Mr. Binford said that would be considered in the master plan, but it is very costly. A shuttle will have to be used during the construction phase of the parking structure.
- Councilmember Stevens asked if they had reviewed their parking fees. Mr. Binford said the last change was in November. The rate is about average for the region, but high for Montana.
- Councilmember Veis asked when they expect to break ground on the bus transfer center. Mr. Wenger said that the transfer center is dependent on the completion of the parking structure. He anticipates the transfer center to take one year to complete after the parking structure is finished.
- Councilmember Gaghen asked when the control tower will be opening. Mr. Putnam said that August 21st is the scheduled opening.

TOPIC #4	BUDGET WORK SESSION – Planning Department
PRESENTER	Candi Beaudry, Planning Division Manager

NOTES/OUTCOME

- Candi Beaudry, Acting Planning Director, explained that there are four divisions within the Planning Department – Planning, Building, Code Enforcement and Community Development. Within the Planning division, employees are all cross-trained in order to better serve the community but each also has specialties. The primary functions for the Planning division are:
 - Long-range Planning
 - Current Planning
 - Community Information Services
- Ms. Beaudry listed the 2005 Accomplishments which included numerous new subdivisions, annexations, zoning changes, permits, transportation documents and new trails.
- Councilmember Veis asked for the number of square miles annexed. Ms. Beaudry said she doesn't have that number but could get it. During 1990-2000 only one square mile was annexed. Since 2000 they have annexed seven square miles.
- Councilmember Ronquillo asked the status of the south side trail. Ms. Beaudry said the south side trail committee is currently gathering background data. The Department is providing them with demographics, traffic, accidents, etc. The committee has not yet formulated any goals or objectives. Mr. Ronquillo asked about the bike path on 25th St. joining at State Street with the overpass and crossing the Interstate. That is all County land, said Ms. Beaudry, so the City is asking the County if it can widen the existing road to allow for a bike path or if the County could help seek a grant for an off-street trail. State Street will be striped for bike lanes. The Garden Avenue trail is being worked on currently but there are problems because the right-of-way is narrow and there are many encroachments. Planning will be doing a land use plan for Garden

Avenue this year if the County Commissioners approve the work plan.

- Ms. Beaudry said that the revenues for the year are projected at \$1,269,011. Revenue sources include property taxes, federal planning grants and funding from other departments. Expenditures for FY07 are projected at \$1,295,144 and include a land management coordinator, technical equipment replacement, liability insurance, and IT charges. The department has \$26,133 in reserve expenditures and \$362,778 in the undesignated fund balance.
- Ms. Beaudry reviewed the Building Division. Its' purpose is to review plans, issue permits for building, electrical, plumbing and mechanical installations. The building inspectors average 8 inspections/day. The Building Division has an estimated \$1,553,000 in revenues; \$1,633,000 in expenses and \$510,000 in undesignated funds.
- The Code Enforcement Division was covered next. The division has four code enforcement officers; two for residential, one for commercial and one for the county. The code enforcement officers respond to junk vehicle complaints, graffiti, vandalism, sign code enforcement, weeds, and nuisance property abatements. The division revenues are anticipated to be \$238,536 and expenditures \$238,536. Code Enforcement is assuming the weed cutting responsibility from the Street & Traffic Department and will hire a private contractor to cut the weeds. Councilmember Ronquillo complimented the department on a recent removal of an abandoned structure.
- Ms. Beaudry said the Community Development Division functions to preserve existing housing, preserve/revitalize older neighborhoods, create new housing opportunities, meet housing/community needs and improve economic conditions of lower income households. The budget strategy elements are: new housing at 46%; existing housing at 21% and neighborhood requested projects at 9%. Community Development revenue comes from CDBG and HOME grants, with some income from loans and land sales. Community Development revenues are estimated at \$1,471,327; and expenditures in the amount of \$1,669,361.
- Councilmember Stevens asked about the \$363,000 reserve in the Planning Division budget. Ms. Beaudry said those reserves are kept for benefit payoff and cash flow purposes.
- Councilmember Ulledalen asked about the Highland Neighborhood Plan and if there was a plan for S. 27th Street. Ms. Beaudry said the Southside Neighborhood Plan was established in 1975, updated in 1994 and is currently being updated again. When the 27th Street Corridor was conceived, there were lots of plans and a permit district established. The planning that was done is now being implemented through zoning.

Additional Information:

- Councilmember Brewster said there is graffiti on the sidewalk of Castle Rock Park
- Councilmember Veis said the Meth Project is a State project that allows students to paint pictures/murals on City buildings as part of a contest. He asked if there are any City buildings available for this contest. Councilmember Boyer noted most of the councilmembers appeared to be uncomfortable with participating without further information.

Respectfully submitted,
Tami Greeley, Deputy City Clerk