

City Council Work Session

June 5, 2006

5:30 PM

Community Center

ATTENDANCE:

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

CONVENE TIME: 5:32 P.M.

ADJOURN TIME: 8:15 P.M.

Agenda

TOPIC #1	PUBLIC COMMENT
PRESENTER	
NOTES/OUTCOME	
• None	
TOPIC #2	Board & Commission Reports – TEMPORARILY SUSPENDED
PRESENTER	
NOTES/OUTCOME	
TOPIC #3	Legislative Discussion
PRESENTER	Jani McCall
NOTES/OUTCOME	
• Tina Volek, Interim City Administrator, introduced Jani McCall, the City's lobbyist. She noted that Ms. McCall will hold additional sessions on Tax Increment Financing (TIF) and the traditional post-election breakfast. She also handed out a packet that contained: a one-page memo on LCs; the 2005 Legislative priorities; and the first draft of the 2007 Legislative proposals. There are currently 118 LCs submitted by committees and Senators. The 2005 Legislative priorities document listed the goals, strategic directions and Montana League of Cities and Towns (MLCT) priorities. The 2007 Legislative issues include the local option tax.	
• Councilmember Jones said the big cities need to get active and get bills passed without revenue sharing. Councilmember Brewster stated that the local option tax won't pass in Billings. Councilmember Gaghen said that the small towns are entrenched with revenue sharing. A viable option may be to raise the resort tax based on the population limit. Councilmember Ruegamer	

stated that revenue sharing “takes the heart out” of the local option tax. He said the key is to reduce property tax as an offset to a resort tax. He said he won’t support revenue sharing. Ms. McCall said that resort tax is the most viable option. She noted that Senator Lynda Moss and the Dept. of Revenue are working on tax estimates. Councilmember Jones said the City pays for its infrastructure and part of that supports the tourism and shopper businesses. The big cities need to agree on a course of action. Councilmember Veis stated that the City should go with BSEDA and the Chamber in a resort tax; local option tax with revenue sharing does no good. Councilmember Ruegamer said that it was a close vote last time, but Whitefish, Red Lodge and West Yellowstone passed a resort tax handily. Councilmember Stevens asked about the sunset on the resort tax, noting most cities have done it, but was it required.

- Councilmember Ruegamer asked when the State last voted on a statewide sales tax and how did Yellowstone County vote. Mayor Tussing stated the City may have to compromise to join a larger coalition.
- The rest of the discussion revolved around Ms. McCall’s list of topics. The eminent domain restrictions are for appearance since Montana law prohibits eminent domain for economic development.
- Councilmember Veis asked if the City could post legal notices on the website, not in the newspaper. Councilmembers Clark, Stevens and Ronquillo asked to receive the Billings Times.
- Regarding the professional association legislation, Councilmember Brewster agreed to support items that genuinely support public safety but not those that make it difficult for cities to manage.
- The Council will receive regular updates for legislative sessions on Monday nights at 5:30 p.m.
- The local option tax is at the top of the list for all other entities too.
- Ms. McCall was asked about the time frame for completing the 2007 Priority list. She said the deadline was the end of September/October to prepare new priorities, but she needed to engage legislators on local option tax in July/August.
- TIF training will take place in November, as a general event, just before or after elections.
- Ms. McCall said that she will also be meeting with the Legislators on the local option tax shortly after the primary election.
- The Council took a break at 6:30 p.m.

TOPIC #4	Budget Work Session
PRESENTER	Council Discussion on FY07 Budget

NOTES/OUTCOME

- Ms. Volek said all the departments have presented their budgets. The overall budget is now the Council’s budget, which is the most critical decision that the Council will make this year.
- Pat Weber, Financial Services Manager, passed out the Tax Increment Operating Budget, which shows an \$800,000 undesignated fund balance. Mr. Weber had two more handouts: the Public Safety Fund Revenue, and a FY 2006-2007 Budget Questions/Comments sheet.
- Ms. Volek brought up the sound system. Councilmember Jones said the Council should get a new system this year because the Council owes it to its constituents. The general consensus of the Council was to spend what it takes to do it right.
- Ms. Volek asked the Council how they would like the \$220,000 from Conoco to be budgeted. The Triangle project is being restructured so the City will pay 70% +/- over 4-5 years, and will comply with existing policies. The Council accepted the re-budgeted numbers, but wanted to highlight the

“Council decision points.”

- Councilmember Boyer asked for information on the public safety referendum. Ms. Volek said there is no new information at this time – waiting for the primary results and how many signatures the sponsor gathers.
- Mayor Tussing asked if the City could add money to the budget for fireworks enforcement. Ms. Volek made the following comments:
 - The cost would be \$11,000 for 4-day enforcement
 - Police Dept. will respond to calls and confiscate fireworks or issue citations. Most citations are directed to youth court.
 - The focus would be on confiscation of fireworks, not citations.
 - She asked if the City is willing to enforce the ordinance.
 - Voting “No” – Councilmembers Jones, Veis, Ruegamer
 - Voting “Yes” – Mayor Tussing and Councilmembers Boyer, Gagher, Stevens and Ronquillo
 - Staff was directed to add a Resolution to spend Council Contingency for fireworks enforcement
 - Ms. Volek said it costs City money anytime the fire trucks and police depts. respond.
- Councilmember Brewster asked that the Council be shown the reserves that are being used for operating expenses
- Ms. Volek asked if the budgets for professional development for the Council and Mayor should be changed. The general consensus of the Council was “no”.

Additional Information:

- Councilmember Stevens asked about the H.O.G. rally and closing streets all day instead of a couple of hours ahead of the start of the event. Ms. Volek said it will be a rolling closure starting at 2nd Ave N. and Broadway, so all streets are closed by 4:00 p.m. (June 30 – July 1). Councilmember Stevens also asked if the City will charge for camping permits in City parks.
- Councilmember Boyer asked what could be done about the parties at 17th St. and the Rims.

Respectfully submitted,
Tami Greeley, Deputy City Clerk