

City Council Work Session

July 17, 2006

5:30 PM

Community Center

ATTENDANCE:

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

CONVENE TIME: 5:35 P.M.

ADJOURN TIME: 7:20 P.M.

Agenda

TOPIC #1	PUBLIC COMMENT
PRESENTER	
NOTES/OUTCOME	
• CAL SPANGLER, EXECUTIVE DIRECTOR, EARLY CHILDHOOD EDUCATION-HEADSTART, said he wants to again request use of the Naval Reserve Center and will work on the asbestos abatement. He noted that he has a verbal promise of an existing school site for one more year, but also wants a one-stop center for children ages 1-3.	
TOPIC #2	Board & Commission Reports – Human Relations Commission
PRESENTER	Eran Thompson, Chair
NOTES/OUTCOME	
• Eran Thompson, Chair of the Human Relations Commission presented the annual report for the Commission to the Council. In the past year the Commission began a partnership with MSU-B and with the “Not in Our Town” group, holding two diversity training sessions.	
• Mr. Thompson asked the Council for help in the next year in the following areas:	
○ Focus of HR Commissions – The HR Commission struggles with being informed on Council issues and would like staff assigned to the Commission that are involved in the day-to-day workings. He mentioned several issues that came before the Council this past year that the Commission would have liked to comment on if it had known in time.	
○ Outreach – The Commission hopes to make two meetings a year as outreach to social services, hospitals, etc. The Commission wants to do more outreach and needs \$1,000 for networking, including printing and mailing to get people to the two events. One event, a racial justice leadership course, is scheduled for October 7 th , at MSU-B.	
• The Commission has highlighted 5 goals in the 2006-2007 Action Plan and Mr. Thompson asked councilmembers to review the document and provide guidance. Mayor Ron Tussing said the fiscal	

year began July 1st and the budget is already approved. Mr. Thompson's request for money would have to come from another source for this year. The Mayor suggested that in the future the Commission let the Council know of any monetary needs in January.

- Councilmember Boyer asked Mr. Thompson if he was aware that he could come before the Council at any meeting and speak during the "Public Comment" period. Mr. Thompson said sometimes he doesn't know what issues are before the Council before the meeting. Councilmember Boyer recommended that he check the City website where the Agenda is listed. The Mayor said the only two City personnel that he could think of that would have a broad knowledge of upcoming issues are the City Administrator or the Assistant City Administrator. Councilmember Brewster said that it could be raised as a Council Initiative. Councilmember Ruegamer said Mr. Thompson could attend the Agenda Review sessions in order to be better informed on Council matters. Mayor Tussing said perhaps the Commission members could alternate attending the Agenda Review sessions.

TOPIC #3	4th & Broadway
PRESENTER	Bruce McCandless

NOTES/OUTCOME

- Deputy City Administrator Bruce McCandless said the 4th & Broadway Committee met today with Stockman Bank and the Downtown Billings Investors (Sandstone). Harrison Fagg, representing Sandstone, presented a revised proposal that attempted to address the letter the City sent to him. The Committee agreed to meet later this week to review the information provided and develop a recommendation to give to the Council on Monday night. Councilmember Veis asked about the discussion with Stockman Bank regarding the parking spaces. Mr. McCandless said from the outset the parking was not included in the agreement, but was added as the discussions proceeded. He believes the committee will recommend selling the property for \$900,000 without parking. Councilmember Veis asked for Stockman's response. Mr. McCandless said they are reluctant to purchase at \$900,000 without the parking. Mr. Coffey, of Stockman Bank said he would have a hard time recommending to his board the purchase of the property for that amount of money. Councilmember Gaghen said the City paid \$875,000 and the lot is prime City property. She is reluctant to let it go for any amount less than \$900,000. Councilmember Ruegamer said the City does not have an appraisal, just an estimated value from a local realtor. He thinks the price the City is asking is very fair. Mr. McCandless said realtor Charlie Hamwey provided information to the Committee that substantiated the \$900,000 value.
- Mr. Hamwey said the City purchased the property for \$41.36/square foot; Stockman Bank's offer is \$42.86/square foot. The MDU property was just appraised at \$750,000 or \$53.57/square foot. 4th and Broadway is a better location than the MDU building. Mr. Hamwey strongly recommended that the City accept the offer of \$900,000. Councilmember Boyer said if any councilmembers feel otherwise they should speak up because the committee is moving in that direction. Councilmember Brewster said the Council should not feel pressured and be open to bargaining. Mr. McCandless said the Council's action to accept Stockman's offer had some conditions needing discussion. The "conditions" and Park II have held up the acceptance of the Stockman's offer. Councilmember Veis asked if the offer could be made by Monday night. Mr. McCandless said a decision by Monday night would not be enough time for the Bank board to make a decision.
- Mr. McCandless said the Bank wanted 60 parking spaces guaranteed to them at low or no-cost. Because of the current conditions with the Sandstone project the City is unable to guarantee those parking spaces. Councilmember Ulledalen reminded the Council that the City had delayed the

proceedings, not the Bank. Councilmember Gaghen thanked the councilmembers who have served on the committee, Mr. McCandless, Mr. Hamway and Mr. Al Swanson.

TOPIC #4	Naval Reserve Center
PRESENTER	Bruce McCandless

NOTES/OUTCOME

- Deputy City Administrator Bruce McCandless reviewed the history of the Naval Reserve Center for the Council.
 - April 2006 - the City received an offer from the Navy to abate visible asbestos and repair mold damage and the wall/ceiling damage
 - May 2006 - the City responded to the Navy asking that all asbestos be abated and the structure demolished
 - July 2006 - the City received a letter from the Navy stating they have no further responsibility for the buildings. The utilities have been turned over to the City. The Navy repeated its offer to abate visible asbestos and repair mold damage and the wall/ceiling damage. It set a time limit of July 21st for the City to respond to them. Mr. McCandless has obtained a verbal extension to July 28th so the Council can consider the Navy's offer.
- The City still has unknown costs to complete the asbestos removal, but will have a recommendation for the July 24th Council meeting to accept the Navy's offer. The primary reason for accepting the offer is any asbestos the Navy removes will be that much less for the City to remove. The Council can decide if they want to proceed with contacting the state congressional delegation. When Mr. McCandless told the Navy the City's next step would be to contact the state delegation the Navy responded that other cities had gone that way.
- Mayor Ron Tussing said it makes sense to accept the Navy's offer. Mayor Tussing asked if one option would be for a private entity to take the building "as is" and accept any other potential liability. That action would eliminate contacting the congressional delegation. City Attorney Brent Brooks said if the City is in the chain of title (which the City is for the land but not the building) it would be difficult, if not impossible, to remove the City from the liability attached. An entity could indemnify the City, but Mr. Brooks warned that the indemnity would not release the City from the liability of abating the asbestos.
- Councilmember Brewster said if the City pursues contacting the congregational delegation, he would prefer that the City renovate the building to make it useable. Councilmember Veis said why not request a new building. The old building needs to be destroyed and a new structure built. He doesn't want the City taking on a lot of liability for an "old" building. Councilmember Ruegamer said the government would not build a new building for the City. He said the City would have better luck to get the delegation to fix it up rather than pass it on to another entity.
- Mr. McCandless reminded the Council the facility consists of 4 or 5 buildings, most of them additions connected by hallways - not a terribly good use of space except for small entities. Councilmember Boyer said it is an ideal location for Headstart and hopes that the City will use this space for them. Councilmember Veis said the federal government can't even get it done at its own courthouse so the City wouldn't be able to either. Councilmember Stevens said the building is not a historic landmark or a nice building. She said it's not the taxpayers' responsibility to provide space for non-profit organizations within the City. Councilmember Stevens said she'd rather bulldoze the building and then decide what to do with the property. Councilmember

Ruegamer said Headstart is a good program, but the City would not be doing them a favor by giving them the Naval Reserve Center.

- Mr. Cal Spanger, Executive Director of Early Childhood Education – Headstart, said the one item that makes this building ideal for early childcare, ages 0-3, is the required ground level exits. He knows there are unknown problems with the building. But the location is perfect for City bus access and their desire for a downtown location. Several of their mothers are too young for a driver's license and must take City buses until they reach the required driving age. Mr. Spanger said they also hope to place the WIC offices at that location. Headstart does not have much money but does need a place. He is willing to write for grant money for repairs, but if the building is in a bad state of repair he doesn't want to throw away good money either.
- Councilmember Veis said if the Council wants to provide space, then the City should tear down the existing building, build a new one, and then rent out the space. Councilmember Ulledalen asked how much square footage is required. Mr. Spangler said his program would need 10,000 square feet, on ground-level, with parking and an outside play area. Mayor Tussing said he'd be willing to give the property to a worthy agency, but not with all the liability attached. Councilmember Clark said the original contract said the Navy would restore the building and he recommended the City take this issue to the congressional delegation to see what they can accomplish. The Mayor asked if Staff or Council should take the matter to the delegation. Councilmember Veis said both should take it to the delegation.
- The Mayor recessed the meeting for a 5 minute break at 6:30 p.m., the meeting reconvened at 6:35 p.m.

TOPIC #5	Semi-finalist Selection for City Administrator
PRESENTER	Jim Mercer

NOTES/OUTCOME

- Jim Mercer of The Mercer Group said his organization has:
 - developed brochures;
 - advertised regionally and nationally;
 - sent out 500+/- letters and brochures and
 - made about 100 phone calls.
- Mr. Mercer said concerns about the position were:
 - the previous administrator issues cooled applications;
 - petition for strong City mayor probably dampened interest
 - he would have expected about 75 applications normally
 - shrinking pool of applicants due to “baby boomer” influence
- Mr. Mercer suggested talking about the top 8-9 candidates. Councilmember Clark said four of the current applicants applied the last time. He added that the number of applicants has dropped in the last three application processes. Mr. Mercer said he's willing to “stick with” the Council until they find an Administrator and he would re-open the application process if the Council desired.
- Mr. Mercer's top candidate recommendations are:
 - Kelly Arnold – City Manager of Grand Junction, CO, model community in MT region
 - Don Cooper – City Manager of Port St. Lucie, FL since 1991, good reputation and not in trouble, degrees from CO and held previous positions in CO
 - Steve Cottrell – solid manager and this position would be a step-up; has been in FL most of

his career;

- Stuart McArthur – presently in CO, was director of finance in Arapahoe County; has had large community and private sector experience; presently in a small town
- Scott Randall – on the edge for fit with Billings; was City Manager of Auburn Hills, MI until May; formerly with Clayton, MO for 8 years
- Greg Sparks – CO and MN experience; this would be a big population jump; does have western experience and really interested in the job
- Gary Tomsic – City Manager of Blaine WA; again a big step-up
- And Tina Volek – Mr. Mercer said, “you know her better than me”

- Councilmember Ruegamer asked if Mr. Mercer would do the interviewing. Mr. Mercer said his organization would normally do:
 - phone or in-person interviews,
 - check references and background on 6 +/- candidates
 - recommend 4-5 for Council interviews
 - and would take the Council’s direction
- Councilmember Brewster said he narrowed the candidates down to four and all of those four were included in Mr. Mercer’s list. Councilmember Ruegamer said he’s ok with those chosen by Mr. Mercer. Councilmember Veis asked about Randy Robertson who is the Chief of Staff for the White Sands missile range and if that is the same as a city manager. Mr. Mercer said a base is like a city but reports to one person, not a board. White Sands is a huge reservation and probably functions somewhat like a city. Councilmember Boyer asked Mr. Mercer for a description of the whole process. Mr. Mercer said he has a rigorous list of questions but would welcome any specific question from the Council. He told the Council to send to Mr. McCandless any questions they would like asked of the candidates. Councilmember Boyer said the City’s budget and size are larger than most of the applicants’ experience base. She also asked about the applicants’ experience with labor contracts. Mayor Tussing asked for a deadline for specific questions. Mr. Mercer asked that all questions be sent to Mr. McCandless by Thursday, (July 20).
- Councilmember Veis asked about confidentiality issue with the finalists. Mr. Mercer said most of these applicants are familiar with public disclosure and the brochure did not guarantee confidentiality. Councilmember Ulledalen asked how successful military personnel are when making the transition to City government. Mr. Mercer said he has placed several military officers and for the most part they have worked out very well. They are well-educated with the latest management techniques; they know how to motivate people, but also are used to command and control and sometimes have trouble backing down from that mode of operation, especially under stress.
- Councilmember Boyer said the applicant’s communication style is very important in this position. Councilmember Ruegamer said the only way to assess the applicant’s communication style would be to interview them in person. Councilmember Gaghen said there were a lot of military personnel just ending their military career with no special interest in Billings.
- Councilmember Veis asked if Mr. Mercer would interview 8 and recommend 4 candidates to the Council and report back to the Council in a couple of weeks. Mr. Mercer said “yes,” but will also be checking the backgrounds, which might eliminate some candidates. Councilmember Boyer asked if candidates can make the leap from smaller budgets and populations to a larger city and budget. Mr. Mercer says it can go either way. Some individuals can handle it well and others get swallowed up by the increased responsibilities. Councilmember Boyer asked Mr. Mercer if he will handle Ms. Volek in the same manner as he will handle the other candidates. Mr. Mercer said his

organization placed Ms. Volek in her present position about 4 years ago, but will handle her application the same as all the others with background checks, etc. Councilmember Boyer asked if he will contact people within the City. Mr. Mercer said he will but doesn't want to cause polarization. The Council needs to look at her on the same basis as the other candidates. Councilmember Ulledalen thanked Mr. Mercer for the quality work he has done on this search effort.

Additional Information:

- Interim City Administrator Tina Volek said Congressman Burns announced today that he has arranged for \$500,000 of HUD funding for Cobb Field construction. If Congressman Burns is re-elected, there is an allocation of \$500,000 for the next two years. The first \$500,000 is fairly certain but must be used on construction.
- Ms. Volek received a proposal from James Sipes regarding the strategic planning project. Mr. Sipes proposed two additional sessions - an evening session and one-day retreat for the Council and a morning session with the Staff. His fee for these planning sessions is \$4800 and does not include his travel expenses; the original fee was \$7,000. Councilmember Veis said he's ok with the proposal, but the fee seems too high. Councilmember Boyer said it seems like a good idea for the Council to meet before having a joint meeting with the Staff. Councilmember Ruegamer asked if the Council could combine the meetings into one day rather than two meetings. Councilmember Veis asked what has changed to require an additional planning meeting. Ms. Volek said Mr. Sipes had anticipated having four sessions and the required work wasn't finished at the previous meeting. Councilmember Boyer said Mr. Sipes came knowing the Council was a bit resistant and he was trying to pull the Council together and moving forward. Mr. Sipes could have pushed the Council a little harder, but as a facilitator he accessed the group and decided to not push. Councilmember Boyer said that councilmembers were saying "we're out of here." Councilmember Stevens said the first meetings were "boring" and at the last meetings, the councilmembers were ready to go longer but he cut them short.
- Mayor Tussing said he thought a joint session was supposed to be the next step in the process; was there a reason the plans have changed. Ms. Volek said Staff has continued to work on the next steps. She said that the next meeting would allow the Council to review work that Staff has done, without Staff being present. Councilmember Veis asked if the one-day plan was part of the original plan and what is it designed for. Ms. Volek said it was not part of the original plan and is to be used to assign specific depts. and set specific time frames. She added that an outside facilitator is helpful. Councilmember Ulledalen said this process is good for the overall health of the organization and "is not that much money in the overall scheme of things." Councilmember Veis said it's too much more money, but agreed that it is a good thing. Councilmember Boyer asked how much has already been paid. Ms. Volek recalls that the initial fee was \$7,000 which has been paid and included four sessions, plus expenses. Councilmember Boyer said she wants to move forward and not quibble over the money. Councilmember Brewster said he wants to finish the project, but would like to negotiate the fee. Councilmember Ruegamer said the Council is a captive audience. He was hired to make the Council finish the project. Councilmember Gaghen said she recalls committee assignments and personal effort that was required, but those didn't always happen, which curtailed Mr. Sipe's efforts. She asked if there will be a report of the facts produced. Ms. Volek said there would be a plan with focus and specific actions for Council and Staff and measurements for success and achievement. Mayor Tussing said the Council consensus is to proceed, but to try to get a lower fee. Ms. Volek said she'll talk with Mr. Sipes to see if the

Council can meet in the morning and the Staff in the afternoon. Councilmember Boyer said she does not want to send a message to the Staff that the Council is not committed to this effort.

- The meeting was adjourned at 7:20 p.m.

Respectfully submitted,
Tami Greeley, Deputy City Clerk