

City Council Work Session

5:30 PM
Council Chambers
June 5, 2017

ATTENDANCE:

Mayor/Council (please check) x Hanel, x Cromley, x Yakawich, Cimmino, x
Brewster, x McFadden, x Friedel, x Swanson, x Sullivan, x Clark, x Brown.
CM excused: Cimmino

ADJOURN TIME: 8:37 pm

Agenda

TOPIC #1	MSU-B Foundation
PRESENTER	Bill Kennedy, President
NOTES/OUTCOME	

MSU-B Foundation and Science building moved to Topic #1

- Bill Kennedy: reviews Foundation and school statistics. Building photos. more info about the university and impact on employment and economy. Must raise \$5M to match the State allocation. Request that City donate to the project to meet the local match for the State funds. Failed in the 2017 session to get this into a bonding bill – failed by 2 votes. Need to have \$5M raised by the 2019 Legislature.
- Interim Chancellor Ron Larsen: building has good bones but very outdated. Need to update for students.
- Swanson: meeting location for the tour? Park in front of Education Building, meet at Science Building.
- Sullivan: how would a new MSUB science bldg. expand research grant opportunities? Kennedy: ask the dept. head tomorrow if you take the tour.
- Clark: asks about the donations and totals. Kennedy – need \$ from the city to leverage additional donors.
- Yakawich: hope a new building will help retention? Yes, trying to hire engineer so that school can offer 2-year pre-engineering curriculum.
- Brewster: impressed with the number of Miles City high school students who say they're going to attend MSU-B.
- **Public Comment:**
- None
- Sullivan: balance in the Council contingency account? \$60k - \$65k.
- Brewster: would like to see this put on a future agenda. Volek: June 26 is probably the next possible meeting.
- Yakawich: process to get this on the agenda. Council has to adopt resolution to use funds.

• TOPIC #2	City Administrator Recruitment
• PRESENTER	Tina Volek
• NOTES/OUTCOME	

- Tina Volek, City Administrator: 3 RFPs forwarded to Council. Liz Kampa-Weatherwax, Purchasing Agent: has the fee proposals.
- Brewster: hope to select one of the recruiters tonight, then open fee proposal envelope.
- Hanel: recommend Mercer Group. Good history, Billings worked with them before.
- Clark: #1 choice is Mercer. Answered questions well.
- Friedel: wanted to have 3 considered, lean toward Mercer and 2nd is Springsted. Wanted Council to consider 3.
- Brewster: prefer Springsted but willing to go with Mercer.
- Swanson: Mercer has done lots of work in the area.
- Yakawich: liked Mercer proposal because process is explained well and will support that choice.
- Brewster: consensus decision, let's open the fee proposal.
- Kampa-Weatherwax: \$15,000 and additional services at \$150, plus actual expenses.
- Brewster: budgeted \$25k, hoped for \$20k, so this is in the range.
- Sullivan: suggest that all Council questions or requests go through one Councilmember to keep down costs.
- Clark: City Administrator could sign contract.
- Cromley: remove that item from the 6-12 agenda?
- Brent Brooks, City Attorney: suggest that Council approve this at a formal business meeting.
- Volek: it's already on the 6/12 agenda and can work on the contract in the meantime.
- **Public Comment:**
- None
- Brewster: once contract is approved, want Mercer to meet with the Councilmembers, should happen within 30 days.
- Volek: ad-hoc committee appointment is also on next Monday's agenda.

• TOPIC #3	Tax Increment Policies
• PRESENTER	Bruce McCandless
• NOTES/OUTCOME	

- Bruce McCandless, Assistant City Administrator: presentation on policies and options.
- Swanson: extend to medical and education corridor? Possible, City looked previously and area may not meet definition of blight.

- Friedel: money is from taxpayers; non-profit organizations should not benefit. No TIF money unless public benefits.
- Sullivan: eyesore properties must meet our codes so may need TIF money to help meet standard. Against using TIF for maintenance projects. Public value in increasing property value.
- McFadden: cost of bring building up to code? Varies greatly. Grants for bringing building up to code can be a 4 to 1 ratio. Land cost downtown can be 3-4 times higher than other areas.
- Swanson: blight not required for TIF? Each district identifies blight as necessity.
- Swanson: would researching feasibility of connecting medical and educational corridor to be included in TIF a lot of work? Yes, but downtown district may have time and interest. City staff could get involved with initiative and Council direction.
- Mayor Hanel: Downtown TIF pooled fund amount when started? Money is started with increment produced by district. Doesn't start with any money, increment is small to start, but produces about \$3 million per year now.
- Mayor Hanel: very successful program. Legislature attacks it, but it works well.
- Brown: windows, landscaping etc. is property owner's responsibility. Environmental issues, safety issues are ok. McCandless: Publicly visible items affect property values, therefore qualify.
- Brewster: have some ideas on how to write policy and will forward to Council and staff.
- Friedel: would like to see shorter sunset so citizens can benefit.
- McFadden: TIF district must compete with surrounding areas so using funds for improvements brings them into same standard.
- Clark: how long do contracts last? Varies but SBURA and BIRD have 5 year agreements. Downtown district agreement was in 2010-2011, due for updating.
- Brown: possible to take strengths from each district and meld? Yes, haven't compared side by side, but could look into it.
- Brewster: 15 years ago someone wanted TIF district for Main Street, would be great now.
- McCandless: should have something back to Council by mid-August.
- **Public Comment:**
- Connie Wardell, P.O. Box 21432, Billings, MT: defends interior improvements such as elevators in old buildings. Downtown district helped the south and east districts and to avoid mistakes. Façade improvements help the whole area. City should consider refunding excess increment to the general fund (other taxing jurisdictions)
- Representative Jeff Essmann: 6 issues the legislature will address. There will be 2 TIF interim studies; legislative audit and RTIC. TIF interim study ranked #6 out of 40. RTIC meeting on June 12 to start organizing. 6 issues: various methods of managing TIF districts and costs; public input processes; participation in decision making by other taxing jurisdictions; public investments in private projects, with minimum investment ratios; are some of the public projects appropriate? (should be local decision); term of the districts; what % of city value should be able to be captured in TIF districts. Legislative heartburn about money: not being able to include the increment value in guaranteed school funding. Poorer and rural school

districts are struggling and Legislators don't like cities like Billings depriving the state of money for schools. Term is also a problem.

• TOPIC #4	Water, wastewater and solid waste charges
• PRESENTER	Tina Volek
• NOTES/OUTCOME	

- Volek: presents Jennifer Duray's, PW Financial Manager, work on the rate effects of having City depts. pay for water, sewer and solid waste. Water change would be \$.04 - \$.12/ccf. Wastewater is a smaller charge, so has no impact on average customer, just for those with large meters. Solid waste changes similar to water.
- Jennifer Duray, PW Financial Manager: fixed rate, regardless of consumption, will stay the same. \$8.00 for next two years. Brief overview of packet info.
- McFadden: what percentage would increase equal? 1.4 %
- Volek: proceeds with her presentation, summarizing the info she sent to Council on Sunday. Bozeman article announced \$81/yr fee increase for typical home. Staff recommends wait to adopt levies until mid-August but start charging departments.
- Clark: what portion is General Fund? Parks \$400,000, Streets 2nd highest.
- Brown: consider parks decrease watering instead of stopping it.
- Sullivan: propose to have all but Parks dept. pay for services this year and add Parks next year. Allows time for Parks to reprioritize their budget.
- Cromley: favor keeping the status quo. Making the change equals raising taxes.
- Brewster: about accountability and transparent. Rather tax people than have them pay through their water bills. OK with implementing over time. Considered this fee deferral to be a bridge to better financial times. Not faulting the former Council or staff, but it's Council's role to set policy. Use interim time to study other fees/charges.
- Friedel: non-profits don't pay taxes but pay assessments and for water/sewer/trash.
- Sullivan: repeats proposal to have all GF/PSF and others to pay except Parks.
- Friedel: favor not changing scheme this late in budget process. Study over next year.
- Sullivan: delay punts these problems and so does not approving water/sewer rate increases. Next year's rate recommendation will be higher because compounding effect.
- Friedel: impact of no water/sewer rate increase this year and increasing next year?
- Dave Mumford, Public Works Director: Council agree to reconsider water/sewer rates for Lockwood, refinery, heights water?
- Yakawich: like freezing water rates, lots of people favor it. Try to save water and save money. Don't take extreme positions on spray parks or park watering.
- Volek: staff will follow Council's wishes, but freezing rate will have further deprivations.

- Mumford: not getting rate increases means PW would be paying. PW pays for own water except for landscaping along right of ways.
- Mayor Hanel: wells at Pioneer and North Park?
- Mumford: Pioneer would be possible, not certain about North Park. No deep water in Billings.
- Volek: ditch water from wells very corrosive to equipment.
- Brown: expecting huge changes so late. Need to give staff a chance to look at it for next budget. Abstaining from any rate increases.
- Sullivan: suggest moving water, wastewater and garbage for all depts. except Parks to General Fund. Figure increase and set up 2-year plan for Parks. Talk about assessments for Streets dept.
- Brewster: propose an initiative next week to leave charges as-is this year and study implementing the change for next budget year.
- **Public Comment:**
- Connie Wardell, P.O. Box 21432, Billings, MT: agree to leave it alone but complete a Parks study and find ways to reduce their water usage.

• TOPIC #5	Council Discussion
• PRESENTER	
• NOTES/OUTCOME	

- Yakawich: invite Councilmembers to the March against drugs and violence on Saturday.
- Volek: tour on Wednesday 2:00 for Marty Connell and architect to tour the evidence building. Invite Councilmembers but would like indication who will attend.
- Cromley: my calendar says the tour of the Kairos building is Wed. at 3. Will check.
- Volek: cancel the July 3 work session agenda? OK
- **Public Comment:**
- None

• TOPIC #6	Public Comment on Items not on the Agenda
• PRESENTER	
• NOTES/OUTCOME	

- None