

City Council Work Session

5:30 PM
Council Chambers
August 5, 2019

ATTENDANCE: All CM Present

Mayor/Council (please check) ✓ Cole, ✓ Cromley, ✓ Yakawich, ✓ Neese,
✓ Ewalt, ✓ Joy, ✓ Friedel, ✓ Gibbs, ✓ Ronning, ✓ Clark, ✓ Brown

CM excused: ALL COUNCIL MEMBERS PRESENT

ADJOURN TIME: 8:00 pm

Agenda

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| TOPIC #1 | Quarterly Updates |
| PRESENTER | Andy Zoeller, Finance Director Chris Kukulski, City Administrator Michael Whitaker, Director Billings Parks and Recreation Nicole Cromwell, Zoning Coordinator/Code Enforcement Supervisor |
| NOTES/OUTCOME | |

- **Meeting called to order at 5:30 pm.**
- **Mayor:** Opening comments and greetings. Acknowledges tragedies in El Paso, Texas and Dayton, Ohio, as well as little league team playoff success.
- **Budget – Andy Zoeller:** Fiscal Year 2019 Q4 Financial Report. Presented the total tax revenue for all FY19 funds and provided comparisons with what was budgeted. Gives a PowerPoint presentation that breaks down 12 funds showing the budget and actual for each fund. A total budget of \$41,916,950 with a total actual of \$41,727,383. Overall, budgeting to actual is good, anticipate collecting delinquent taxes in the coming months. References a graph of General Fund Tax Revenue history from FY15-FY19 indicating an average increase of 2.9% per year and a 14.7% increase over 5 years. Continues that the General Fund Intergovernmental (State Entitlement Share) showed a 1.8% increase per year and 9.1% increase over 5 years, the next largest individual revenue line for General Fund; this rate is set by the State Legislature. Continues that the General Fund Fines and Forfeitures indicates a 3.9% decrease per year and 19.5% decrease over 5 years. General Fund License and Permits used to include franchise fees which explains the large decrease of 50.9% over 5 years. All combined to show General Fund Total Revenue 0.9% increase per year or 4.3% increase over 5 years. Noteworthy is the investment revenue is up about \$300,000 due to high interest rates. General Fund Revenue and Expenditure slide shows a gap of about \$5.5 million expenses exceeding the revenue which was expected. This will change slightly but by and large everything is done for the fiscal year. General Fund Revenue vs. Expenditure slide shows revenue was slightly higher than what was budgeted. Public Safety Fund Budget vs. Actual Revenue and Expenses are down because the large revenue line to this fund is

the transfer from the General Fund and not all the expenses budgeted was needed so it wasn't transferred to the Public Safety Fund. The major expense that was cancelled was the planning of relocation of Fire Station 5. Noted that the Police Department expenses versus Fire Department expenses had a difference of \$1.7 million. \$1.2 of that was because the relocation of Fire Station 5 did not happen. The Police Department is slightly over-budget and will be coming back next Monday with budget amendments. Quarterly report is available to public via online. Department of Revenue (DOR) released report saying City of Billings certified taxable value for the coming year is up 4.1% from prior year.

- **Clark:** About the Downtown TIF, the DOR has reported an increase of 26% but report has not been confirmed or researched by Andy yet.
- **Mayor:** An article in the BCI Business Journal suggested on average 10% property value increase across the state and Yellowstone County up about half a percent which doesn't match what Andy has reported.
- **Zoeller:** I have not read the article, but the refineries are huge taxpayers that are in the County but not City, which could explain that.
- **Joy:** The 0.5% increase, how much does that work out in rough numbers in terms of dollar amount?
- **Zoeller:** About \$75,000.
- **Yakawich:** What caused the Police Department to be overbudget?
- **Zoeller:** Patrol overtime and jail charges, roughly \$180,000. Believes that most of those charges came from special duty such as the President or VP coming but defers to Chief to explain.
- **Rich St. John, Chief of Police:** Extension of duty, specialized unit, unexpected VP visit which was about \$80,000, and short-staffed which means bringing in people at time and a half for 10 hours. Considering what happened last year the PD has made adjustments to overtime budget including tightening up on discretionary overtime with training, which is one area where a lot of money was spent. The jail charges are about \$100 a day for individuals that are put in jail for City Ordinance violations, primarily transients. On average, the PD is paying about \$20,000 a month. To not put anyone in jail on City Ordinance violations would be a \$225,000 savings; however, that would make the transient problem worse.
- **Mayor:** Why is there a drop in municipal court fines of around \$200,000?
- **St. John:** I don't know why; enforcement has not been a problem.
- **Friedel:** Asks about the approx. \$220,000, how many of those arrests (transients) are we paying for that are misdemeanor or felony?
- **St. John:** It's strictly City Ordinance charges. If it is a state charge, i.e. theft, assault, disorderly conduct, then the County pays for it.
- **Friedel:** Are there programs that can put the burden on the offender not the taxpayers?
- **St. John:** The Sheriff has some programs, including one that may be behavior based, but we're not in that business. Any of the alternative penalties work for us as well, but this goes to the problem of treatment, prevention, intervention whatever we can do to mitigate the cost yet still hold people accountable

because right now there are people running around with impunity because they know they're not going to go to jail.

- **Friedel:** Please clarify if the \$225,000 are pre-trial or have been sentenced.
- **St. John:** They have been sentenced.
- **Ewalt:** How does the City and the County arrive at \$100 a day?
- **St. John:** That is the price that the Sheriff has assessed to us, they also house prisoners from out of state, federal, and other counties and it's all in the same ballpark.
- **Ewalt:** Red Lodge and Columbus pay \$100 a day as does Billings, yet Billings pays about 70% of the taxes in Yellowstone County so we own about 70% of that jail so we should be getting a better deal.
- **St. John:** They do a very good job in a difficult situation. They are nearly always at 100% capacity. The people that are in there truly need to be and if there is someone that is truly a public safety threat they will make room. We're talking about people that have amassed numerous citations, warnings, and arrests. What we're trying to do is leverage them into treatment but some of them don't want treatment and is that really where we want our beds going?
- **Mayor:** Regarding the VIP visits (i.e., the Vice President visiting), it would help if you write up some sort of internal policy on cost recovery that you can take to them in advance?
- **St. John:** We have tried that, it has been asked and not answered several times. The thing that really hurts us is when we have an overnight stay and will continue to work with the Fire Chief and Mr. Iffland to try to tone it down a little, but they are going to do what they're going to do. There are some agencies across the country that had refused due to cost which brings in either military or out-of-state law enforcement which then becomes a policy decision of the Council.
- **Clark:** My understanding is the State pays less than we do. They just tell them what they're going to pay, something like \$79/day.
- **St. John:** There was some legislation that dealt directly with that and the sheriffs protested and it went back up a little bit but you're probably right, it's in the high \$70-low \$80 range.
- **Ronning:** Are we prepared for an active shooter situation?
- **St. John:** We certainly are. You always hope that it's never going to happen and in today's world it's not if, it's when. We train to a standard. Active shooter is the highest standard that we train to. In fact, this week we have joint training with the fire department. It's called Rescue Task Force and it deals exactly with active shooter situations. We are well-equipped, well-staffed, and well-trained to respond to that.
- **Clark:** Regarding the deficit in the General Fund, was part of the \$5 million the \$2.4 million we put in Centennial Park?
- **Zoeller:** It was \$2 million from the General Fund, \$460,000 was a different fund, but yes.
- **Kukulski:** That \$5.5 million was every penny anticipated. That was the budget that was adopted by the City Council. I think the number was maybe closer to \$6 million, but all in all we did not have the expenditures we anticipated so a couple million for Centennial, over \$2 million for reduced revenue for the franchise fee.

Nobody should be surprised by that number as it was in the adopted budget. In the current budget you can expect to see something similar but closer to \$4 million because we made a couple million in cuts.

- **Council Initiatives/Goals – Chris Kukulski:** Received some good news from the DOR. Don't recall seeing a number from them that we 100% agreed with after we reviewed some things. Three out of the 4 of them went up double digits, the other one went up by a decent single digit. Andy and his team will be going over the data in the next 10 days or so. It's fantastic news that the downtown TIF didn't go down like we were expecting, but want to confirm before we say this is the number and this is how much money it results in. Gave a presentation - Budget Priorities adopted March 11, 2019 Progress Report. High Priorities: Improve safety of Billings, Implement One Big Sky Plan, Successful 2019 Legislative Session, Advance West-End Reservoir and Water Plant, Complete Project Re-Code. There will be a lot of the discussion about the public safety mill levy for 2020. There is value and importance of a Steering Committee. It's common practice that with a successful levy there needs to be an independent non-governmental group that raises money and helps market information. We, as a governmental entity, I, as your City Administrator, cannot use any governmental money or time in that effort. We will make sure that we educate, not advocate, when we have later public conversations. With regards to the implementation of the One Big Sky project, anticipates signing a contract with our lobbyist group at the same rate that our last contract was for this next year's work. West End Reservoir and Water Plant is moving forward. Project Re-Code will require a lot of time, because it hasn't been rewritten for over four decades. Medium Priorities include: Improve communication with our citizens. Have a robust committee working to update the website including applications as well ensuring the ease of use on mobile devices. Reviewing proposals to hire professionals to help with communication, marketing and education relative to Public Works. The airport expansion project is on target to be completed 2023. South Billings Recreation Center is scheduled for a work session and there are a number of transportation system project improvements. Low priorities include: Long-term solution to City Hall space issues proposals and research options to create public information officer type position.
- **Ronning:** Was it clear on the RFP for a new City Hall that the City does not currently have the budget to move forward on building a new City Hall?
- **Kevin Iffland:** Yes, it was made noticeably clear.
- **Ronning:** Concerning the letter to the editor about the City not being very friendly for ridesharing, are we accommodating people to use these companies and have places to pick up and drop off at the airport and in the downtown area?
- **Kukulski:** The private citizen claimed that the City has taken action to restrict ride shares. Not aware of any action the City has taken to limit ride-share companies. Will be meeting with staff to discuss.
- **Yakawich:** Concerning public safety, what is the timeline? Are we talking to School District 2 because they are wanting to float a levy? And how do we start a Blue-Ribbon Committee with the public safety mill levy?

- **Kukulski:** For the timeline, we had been in dialogue with SD2 and anticipate a small elementary levy in 2020 followed by a larger high school levy a year or two later. The school district's system has them working every year with the voters to just retain tax and support levels to provide services, but not anticipating any big competition levies with ours. The Blue-Ribbon Committee is especially important. The City administration and Council work together to identify key leaders in the community. Important to remember that 4 of the Council are either not running or termed out. It's important to keep that in mind how critical it is to get a public safety levy passed. So 11 months from now, we hopefully have asked the public for their opinion and they have made their decision.
- **Friedel:** Despite stepping down would like to be on committee. Would be best to sit down and get the information now and be clear and concise now so that when we go out and for a mill they know exactly what they're paying for at an earlier date. Need to start now, not a month from now.
- **Kukulski:** Agrees that this does not need to wait on the staff to present to the dollar what the financials are. Can work in parallel with each other. Needs to be the highest priority of this organization for the next 12 months.
- **Neese:** Agrees that we need to get this done as soon as possible, but when we look at public safety, it's not just police and fire, it's code enforcements and some judicial. Every dollar that is spent on other departments in the General Fund is less money that we can spend on Public Safety. Are there any other areas that we can increase the revenue coming into the General Fund? Are there any other fees or special districts that we can set up?
- **Ronning:** What is the timeline on when we can get a public Steering Committee?
- **Kukulski:** In the upcoming weeks.
- **Neese:** What is the process?
- **Chris:** The group is put together independently of the administration and staff. By law, this council, City administration and staff cannot spend public resources advocating or working against an election issue. Would anticipate advising and educating, but it really is a community effort.
- **Mayor:** There is no reason people on this council must wait, we can start now by talking to people in the community trying to gauge a potential budget for levy and potential people for the committee.
- **Friedel:** The committee that I was referring to was the council/administration committee so that we can start work on this subject, not the independent committee. Is it possible to ask for an initiative to start that group?
- **Kukulski:** From a staff perspective, we already have that committee. As far as council adding to that, as the Mayor said you do not need me to direct you to do some of those things.
- **Friedel:** So next week, I'm asking the council to add at least 3 of us, if not 5, to the committee they already have.
- **Clark:** We need to know from you how many mills we will have to ask for. We need to know that before we really start talking to people, so they know what they're voting for. What are the dates you have set aside to work on this?
- **Kukulski:** Monday September 3rd. Don't have the answer standing here; need to be careful and ensure we are properly informed.

- **Neese:** Regarding the Public Safety, talking about the Medicine Crow can you give us an update.
- **Chris:** Two weeks from tonight we have a lot of transportation programs to educate on that.

- **Parks and Recreation – Whitaker:** The new Primrose playground in the Heights meets all national standards, should be completed within the next two weeks, afterward will schedule a ribbon cutting. (Slide shows pictures of playground including the newly constructed walkway entrance and shade structure.)
- **Mayor:** How much did the shade structures cost?
- **Whitaker:** Not including the concrete, it was about \$39,000; that includes four; 2 large ones and 2 small ones. Provides updates to Centennial Park construction and the Coulson Park Master Plan.
- **Neese:** Is there \$500,000 for development on the Coulson Park Master Plan. Do you know how much that development will increase the Parks Dept. fund to maintain those improvements?
- **Whitaker:** The Parks Department received \$110,000 to replace the existing restrooms which will not require more funds because we already do that. The Batista have a \$250,000 matching grant that can total roughly \$500k if they can raise 250k. Don't know the financial impact to maintain because don't know the structures to be built.
- **Neese:** The deadline for that fundraising is by May of 2020?
- **Whitaker:** Yes.
- **Kukulski:** Need to break ground on the project to know how labor intensive it will be and how far we can stretch the budget of \$500K.
- **Whitaker:** The Recs Dept. set a new revenue record for FY19. Since FY13, revenue has increased approx. 30%. (Slide shows the sources of revenue including: Swimming pools, waterslides, pool concessions, Batting Cages, Building and Equipment Rentals and Park Use Rentals.) Whenever we put together a program, the fees are set by the direct cost of the program. Spoke about personal, community, social, and economic benefits of parks and programs. Why participation revenue has increased from 2013: New waterslides at Rose Pool, new operations, concessions building, and bathhouse at Rose Pool, over 20 new rec. programs, implemented a recreation and facilities awareness campaign in 2013, greater access to middle schools for sports programming with SD2. Lists some of the new programs which can be found at BillingsParks.org. Since FY13, have seen annual revenue increases: pool concessions 28%, adult city basketball 21%, adventure camp 43%, park use permits 55%, Pioneer Park rec house 61%, waterslide revenue 56%, youth basketball 63%, swimming pool admissions 30%, tennis programs 15%.
- **Mayor:** While these increases are great, they are from FY13 to now. The increase from FY15 to now, is only about 1% increase per year in revenue while the cost is going up more than that, why?
- **Whitaker:** Getting close to capacity.
- **Mayor:** Do we increase our fees with the cost?
- **Whitaker:** Yes, the user pays for all direct cost of the programs.

- **Brown:** Realistically, the revenue increase doesn't go directly to the General Fund?
- **Whitaker:** Everything goes back to the General Fund, except for the batting cages.
- **Ronning:** I've received a lot of really good feedback from people that have their kids in the parks and rec. programs for being an affordable, but high quality service. Are the water fountains that will be at Centennial Park the same water fountains that are in other parks?
- **Whitaker:** No, they will service people, dogs, and are also wheelchair accessible.
- **Neese:** Can you explain what you consider direct cost?
- **Whitaker:** The actual operation of the program including seasonal labor, any equipment and supplies, and if we contract out any services. We also have a minimum enrollment when we do a new program and if we don't get that, we don't go with the program. On the flipside, if the enrollment exceeds, we can then put that revenue towards other things.
- **Yakawich:** Is it possible for citizens to donate trees, which would help with cost because of how expensive trees are? Is there a program for that?
- **Whitaker:** We would consider it on a case-by-case basis. It generally costs from \$350-\$400 to relocate a tree.
- **Yakawich:** Would we save money?
- **Whitaker:** If it's a very healthy tree, yes.
- **Yakawich:** So, the citizens can just call you regarding this?
- **Whitaker:** Yes, we would come out to look at their tree to see if it is cost effective to move it.

- **Code Enforcement – Cromwell:** Presented the Dirty Dozen. Four properties from last quarter have cleaned up and come back into code. There are 12 active cases in municipal court. 12 new code complaints each workday in 2019 and, 1,727 new code cases since Jan. 1, 2019 (does not include weed cases).
- **Neese:** You mentioned the one elderly couple that reached out to get help to clean out their property, are there any organizations that you're aware of that help?
- **Cromwell:** There are some out there including scout groups or church groups and we try to get people connected with them. Generally, we try to have thorough conversations with the property owner to try to see what safety net and connections in the community they have so that they can reach out on their own. In this case, this couple didn't have any really good solid connections. The challenge in these cases is the liability issue.
- **Yakawich:** Regarding a property that the Attorney General has filed petition in District Court on, is there a way we can speed up this process?
- **Brent Brooks, City Attorney:** It is set for the District Court docket, and we have reached out to the AG that we are more than happy to attend and help them. It's really dependent on the District Court's scheduling and how quickly they want to get to this. The dates are scheduled in September here in Billings.

- **Ewalt:** A lot of these properties are supposed to be demolished, how many of them are in TIF districts?
- **Cromwell:** I think the only one is 818 N. 25th. I think that it would be in the EBURD or Downtown district. The only other one would be 2802 Montana Avenue and they have a partner now.
- **Ewalt:** Because if these are blighted, do you suggest to them to go to TIF to get help to get them demolished?
- **Cromwell:** Yes, we direct them to the TIF administrators for assistance.
- **Public Comment:** None.

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| TOPIC #2 | 2020 Draft United Planning Work Program (UPWP) |
| PRESENTER | Scott Walker, Transportation Planning Coordinator Rusty Logan, Transit Manager |
| NOTES/OUTCOME | |

- **Walker:** Outlines the plan for the funds received from the federal government. The Metropolitan Planning Organization (MPO) must be established in communities over 50,000 for federal transportation planning funds. The document is broken down into 12 elements. Reimbursement of funds occurs quarterly and each element has a different percentage for reimbursement. Funding resources are broken into the following 4 main sources: City of Billings Planning Department Fees (\$240,000), Yellowstone County Planning Department Fees (\$57,000), Yellowstone County Mill (\$490,000), Planning (PL) Federal Funds (\$1,872,085) Total (\$2,659,085). Provides a breaks down of each -- Work Element, PL Federal Funds, Local Funds, and the Estimated Costs, and compares FY19 estimated costs by work elements to FY20 estimated costs (totals: FY19: \$2,659,085 FY20: \$2,786,000). Continues by showing the federal verses local percentages by work element and the staffing costs. All the 2019 priorities have either been completed or are currently being worked on.
- **Mayor:** On the Downtown Traffic Flow Study, does that include turning some of the one-way streets into two ways?
- **Walker:** Yes. Some priorities for 2020: Bike/Scooter Share Impact Study, North Bypass Corridor Study, 5th Avenue Corridor Feasibility Study, Complete Inner Belt Loop Corridor Study, Complete Wayfinding Signage Plan, Traffic Counter Replacement, Downtown Traffic Circulation (Public Participation), County Growth Policy Update. Transit Section presented by Transit Manager, Rusty Logan.
- **Rusty Logan:** Transit section is also separated by different elements. Reimbursement of funds occurs quarterly. Reimbursement amounts differ for each quarter based on activities undertaken and hours spent per element. Provided the Transit Funding Overview. Most of that goes toward hours spent on the planning and development. Transit priorities include: Further development and apply for competitive grants for buses, technology and facilities, continuing development of the Transit Asset Management Plan/Development and implementation of the Transit Safety Plan, and extensive analysis of the existing

transit system for improvements in efficiency, effectiveness, resource use as well as identification and modeling for essential future improvements, continue potential technology additions, increase community outreach in support of transit utilization, and improvement of the ADA Transportation Coordination process.

- **Walker:** Provides 2020 UPWP Review Schedule with PCC for federal adoption on August 20th.
- **Neese:** Can this program help City identify where we lack safe routes to schools?
- **Walker:** Yes, there will be a presentation of that on the 19th from the Public Works Department which will help clarify the details.
- **Neese:** How do we get an initiative added to this program?
- **Walker:** If it becomes a Council priority, we can migrate it into this document.
- **Neese:** Too late to be taken in this year or wait till next year's funding?
- **Walker:** Pretty far at this point, but it will be the first thing up next year.
- **Gibbs:** Just an update on the BUILD Grant, was it submitted on the 15th of July and when are we supposed to hear back?
- **Scott:** Before that actually. There is a two-tier process, the first tier by late summer/early fall and the second tier by the end of the year.
- **Ronning:** How do the City and County work together when there are events at the Metra and City members want to take part in an event. The parking and transportation there is an issue.
- **Scott:** With regards to the transportation in and out of the Metra, has sat in some committees that have looked at that and some things have been done. Would suggest talking to a County Commissioner. In communication with Metra regarding transportation and it's been positive communication.
- **Mayor:** On the BUILD Grant, there was some internal discussion on a trip to Washington to meet with our delegation and decision makers in the fall if that is still in the works. Please start working on it now.
- **Scott:** It's a two-tier process and once we complete the first tier, that is the time to bring that to Washington.
- **Public Comment:** None.

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| TOPIC #3 | Council Discussion |
| PRESENTER | Mayor Cole |
| NOTES/OUTCOME | |

- **Cole – USS Billings:** Went well. There were multiple successful events. Thank you for everyone's efforts.
- **Friedel and Yakawich:** relay their personal experiences during the opening of USS Billings.
- **Mayor:** Thanks for everyone who helped make it a great success.

- **Ronning:** Shares unfortunate news that Eddie Alden AKA “Snowbird” passed away. He had been an amazing support for the downtown transient and substance abuse population. Wanted to share and acknowledge the great work he did in the community.
- **Ewalt** - Is there a plan or a committee for the City Hall RFP?
- **Iffland:** Just like any other RFP, there will be a committee that makes a recommendation to the Council.
- **Ewalt:** Will there be any council members on that committee or just staff?
- **Iffland:** We haven’t got to that yet, but, of course, it can be an option.
- **Kukulski:** Yes, if one of you wants to volunteer, we can move forward with that.
- **Public Comment:** None.

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| TOPIC #4 | Public Comment on Items Not on the Agenda |
| PRESENTER | |
| NOTES/OUTCOME | |

- **Gentleman:** The man who did the carving for USS Billings, Ross Clark, highly recommend him. He did a beautiful job.
- **Mayor:** Creations in Wood was the name of business.
- **Public Comment is Closed.**