

# City Council Work Session

January 20, 2009  
5:30 PM  
Community Center

*Minutes were prepared from abbreviated written notes as electronic recording was not available.*

**ATTENDANCE:**

**Mayor/Council** (please check)   x Tussing,   x Ronquillo,   x Gaghen,   x Brewster,   x Pitman,  
x Veis,   x Ruegamer,   x Ulledalen,   x McCall,   x Astle,   x Clark.

**ADJOURN TIME:** 7:45 p.m.

## Agenda

<b>TOPIC #1</b>	<b><i>Public Comment</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- **Kevin Nelson:** asked Council to consider rezoning property on South Billings Blvd to industrial zoning to maximize the City's earnings when it would be sold.

<b>TOPIC #2</b>	<b><i>State Legislative Report</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

Lobbyist Ed Bartlett provided the following update from Helena by phone:

- House approval was received on HB 102 to increase the penalty on multiple sexual assaults; approved 100-0.
- Almost 600 bills were introduced out of 2300 requests.
- The local option tax proposal was still being revised by Senator Essman.
- The property reappraisal subcommittee would meet on Tuesdays and Fridays. The previous week's meeting focused on information gained in interim committee and possible options, but no conclusions were reached.
- No TIF legislation introduced yet.
- Defending against HB 276 which would require cities to pay for medical care for prisoners. Have been assured that cities would be exempted, but it would be tracked.
- Did not see any other bills for hearings that week for which the City had significant interest.

Councilmember McCall asked about the LC number of the local option tax. Mr. Barlett said it was SB 1, but there was nothing to look at yet.

Councilmember McCall asked for further information about HB 276. Mr. Bartlett advised that it came from interim committee action. He said it would change liability for medical costs for detainees, but the bill indicated it would cover any interaction with law enforcement. He mentioned the possibility of a state fund to cover excess of what counties would be responsible for. Councilmember McCall asked if Commissioner Kennedy agreed that cities were exempted. Mr. Bartlett stated he had not talked with any Commissioners yet, but would track it.

Councilmember Ruegamer commented that the term “local option tax” could cause concerns from rural leaders and legislators. He said it was a resort tax and needed to be called that. Mayor Tussing suggested calling it the local property tax relief bill.

Councilmember Gaghen asked who Mr. Stoker represented. Mr. Bartlett advised that he represented Ravalli County, but he did not know if he lived in Hamilton. He said Mr. Stoker’s Interim Committee membership was the reason that he was carrying the bill; it was not a committee bill. Councilmember McCall said Representative Stoker was pushed by hospitals and he had worked with them before.

Councilmember Clark asked if there was any additional word on reappraisal progress. Mr. Bartlett stated there was no indication of what they would do. He said there was disappointment statewide that they had not made progress.

<b>TOPIC #3</b>	<b><i>Energy Commission Transit Recommendation</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

Ed Gulick was present to represent the Mayor’s Energy and Conservation Commission. He said the Commission had worked for the last 4 months and its recommendation was a unanimous vote. He noted that the Congestion Mitigation Air Quality (CMAQ) program funds were being used by Great Falls and Missoula for transit but none were being used for that purpose in Billings. He explained that the Committee thought that a majority of the money should be used for transit in order to meet its obligation to be used to reduce air pollution. He added that all money should not be put into expanding roadways.

Mayor Tussing asked if that was discussed with MET. Mr. Gulick responded that they discussed it with MET officials and with Planning (Federal transportation planning and TIP).

Aviation and Transit Director Tom Binford stated that operating costs were the problem. He said they had reduced some reserve use, but \$167,000 in reserves would have to be used to balance the budget next year, plus \$100,000 from this year’s shortfall. He noted that any CMAQ money would have to sustain operations before there was consideration about expanding service.

Mayor Tussing asked if MET could use the money. Mr. Binford explained that recommended options were not necessarily the most cost efficient use of the dollars. He said they would balance the existing budget first, and would have to use some money to expand the fleet. He said they could go back to customers to ask what additional services were desired, but that kind of input was not received when the last route revisions were done.

Councilmember Astle asked about ridership age. Mr. Binford responded that 36% were students; 30% adults; 25% disabled and 9% elderly.

Councilmember Clark stated that the report indicated a ridership increase. He asked for a number, not a percentage. Mr. Binford advised that a 10-year history showed flat ridership. He noted that September to September was skewed and indicated an 8% increase compared to last year. He said there were 3000 people per day, so maybe the increase was 250 more people per day.

Councilmember Brewster stated he used to ride the bus and most riders were downtown government workers. He added there were problems with cross town travel.

Councilmember Astle asked if the smaller buses were better than the large buses currently operating. Transit Manager Ron Wenger explained they would look at a medium size unit, with a 30-passenger capacity, this year. He noted that one morning and evening route would be added to the Heights, and another route would be added along Rimrock. He said there was a delicate balance on size and ridership.

Mr. Gulick advised that the Commission did not want to micromanage, so it relied on MET for specific operating decisions. He said they could not accurately predict the future fuel and other operating costs, but more CMAQ on transit projects seemed like a good investment. He stated they thought that more transit funding could occur in 2010 and beyond; CMAQ was committed to road projects up to 2013.

Mayor Tussing asked if it was legal to spend CMAQ funds on roads. Transportation Planner Scott Walker responded that roads were a legitimate use of CMAQ funds. He said the results were weighed, then money was taken out of street projects to get more transit funds. He estimated \$1.7 - \$2 million per year.

City Administrator Volek asked about the effects on the TIP if Council wanted to shift some funds. Mr. Walker explained they would have to rework the plan and would have to delay or reduce some projects.

Planning Director Candi Beaudry advised the completed TIP had to be submitted by a deadline and there were three projects under design that were in the TIP.

<b>TOPIC #4</b>	<b><i>Neighborhood Stabilization Plan</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

Community Development Manager Brenda Beckett stated that the draft plan in future packets would be black and white and some charts would be hard to see, so colored copies could be provided upon request. Ms. Beckett advised that \$19.6 million was awarded to the State Department of Commerce, which could then allocate funds to cities, including entitlement cities. She said a State plan was submitted to HUD and the HUD response was expected in February. She explained that the State would open an RFP process for cities to apply for funds.

Councilmember Veis asked if the funds were for residential or commercial. Ms. Beckett responded that they were for either, but commercial entities had to have a residential component. She advised that the money had to be spent within four years of the HUD plan approval; administration funding was limited to 5% of project spending; and all federal requirements applied. She noted there were good opportunities such as Meth property remediation, and homes that could be remodeled and sold to lower income individuals. Ms. Beckett pointed out that the foreclosure risk was fairly high for Billings compared to the rest of state. She noted that public facilities were also eligible. She reviewed other eligible

activities: blighted structures could be demolished, and a land bank for foreclosed home could be established for 10 years.

Councilmember McCall asked if the NSP priorities were in order. Ms. Beckett responded that even though the document was a draft, it was in priority order. She noted there was a short performance time once HUD approved the plan, so the draft had to be mostly done.

Mayor Tussing asked if Council would be asked to approve the draft plan. Ms. Brenda responded they would, along with amendments to CDBG funding plans to include that program.

Councilmember Veis asked if there were rules on how we disposed of property once it was acquired and demolished, and how they were marketed. Ms. Beckett explained that the State plan was full of exemptions to the four-year time limit established by HUD. Councilmember Veis asked if a RFP would be developed to sell the properties or if they would be given away. Ms. Beckett stated they could be given away, but organizations had been told that they had to offer PILOT if they got free property.

Councilmember Veis asked if enough properties were identified or if a push was needed to get going. Ms. Beckett responded that a push was needed to solicit properties for the project.

<b>TOPIC #5</b>	<b><i>Federal Legislative Agenda</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

Ms. Volek advised that Bruce Putnam agreed to help with the paperwork, but would not go to Washington DC with the City group.

Mr. Putnam reported that Draft #3 of the federal funding projects requests was passed out that evening.

Mayor Tussing asked for a review of what we got out of the 2008 project.

Ms. Volek and Mr. Putnam reviewed the revised 2009 list. Fire Chief Paul Dextras provided further discussion regarding the training facility.

Councilmember Veis mentioned NRC and water plant power if needed.

Mayor Tussing asked about the stimulus package and the relationship with that list and whether there was overlap. Ms. Volek explained that the lists differed and would run on parallel tracks. She noted there were no earmarks in the stimulus package. She added that there should not be much overlap because the stimulus required projects within 90-120 days.

Councilmember Brewster asked if the water reservoir project was too outlandish. Public Works Director Dave Mumford advised they were conducting preliminary work but did not have price tags.

Mayor Tussing asked if some of the other projects on the earmark list should be listed if the stimulus did not move forward. Councilmember Veis stated they should not be combined; they were different projects with different timelines and different funding. He advised that the outcome of stimulus vote should be known before they went to DC.

Ms. Volek noted there were three sets of projects: last year's earmark list; stimulus package; and the 2009 earmark list.

Councilmember Ulledalen stated the stimulus package would pass and asked how our “power” matched up with urban areas that relied on sales tax and were hurting. Mr. Putnam responded that we had significant influence with a well-placed delegation. He reviewed the timeline: request prioritization by February 2; Council action on February 9. He said the delegation asked for prioritization but wanted flexibility to move projects to match their committee strengths.

Mr. Putnam inquired who wanted to go to Washington DC. Councilmembers Brewster, Gaghen, Clark, McCall, Pitman and Ronquillo indicated their interest.

<b>TOPIC #6</b>	<b><i>Transportation Improvement Plan Amendment</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

Transportation Planner Scott Walker reported that this item was a revision to the five year plan. He explained that projects or their costs required the revisions, and costs triggered the amendment. He referenced the Shiloh road project, listed on page 18. Mr. Walker advised that the \$5.9 million figure should be removed from the program. Discussion continued regarding larger projects: Airport Road, Rimrock Road and Shiloh Road, all having significant cost changes. Mr. Walker reported that the Rimrock Road project cost remained the same, but the project scope was reduced to match available money. He continued that the Airport Road project cost increased by \$8 million and Shiloh Road increased by \$7 million. He explained that the first two projects were funded, but Shiloh Road was still short by over \$7 million. Mr. Walker advised that Shiloh would be done in three phases -- north, south and then the middle.

Councilmember Ronquillo asked if the Shiloh Road properties were acquired. Mr. Walker responded that the north and south were done and it looked like there was only one outstanding in the middle section.

Councilmember Ronquillo said he thought money could not be shifted from Zimmerman Trail. Mr. Walker explained that it was in a federal appropriation bill but the reallocation had not been approved.

Ms. Volek stated that the transfer of Zimmerman money was discussed before Council was asked to pursue the Inner Belt Loop project, so Zimmerman money may still be needed.

Mr. Walker stated that the TIP Amendment was scheduled for Council approval on February 9.

Councilmember McCall asked Mr. Walker if he had worked with the County about the plan and those projects. Mr. Walker advised he talked with the Board of County Commissioners earlier that day about Shiloh. Ms. Beaudry stated that the Commissioners were told that the City was working on a stimulus package but there was no agreement with them to work on a plan.

Mr. Walker noted there were lots of small projects in the TIP, but the three discussed were the big ones.

Mayor Tussing stated that the Council needed to decide who on Council wanted to represent the City on the PCC. He noted that Commissioner Kennedy was BOCC Chair and may want to chair the PCC. He said the match up was needed.

Councilmember Veis asked about the status of amending the PCC bylaws. Planning Division Manager Wyeth Friday advised that the amendment would be presented at the next PCC meeting. Mr. Walker added that Commissioner Kennedy wanted to schedule two meetings, the first after the February 9 Council action. He said Commissioner Kennedy also wanted to talk about CTEP funding.

Councilmember Veis asked if Council wanted to wait to select a PCC representative until a complete list of Council appointments to boards such BSEDA and RC&D was developed.

<b>TOPIC #7</b>	<b><i>Strategic Plan</i></b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

Councilmember Ulledalen explained that he asked to have the item on the agenda periodically. He stated it was picked up at end of last year and reviewed the general five or six areas that Council shared with Ms. Volek. He suggested filtering citizen survey responses through the strategic plan goals to then set new directions for Council. He asked Council to think about the next logical step if that was not the right plan.

Councilmember Astle asked about the cost of services study. Ms. Volek advised that the contract was canceled. She said department directors met twice and decided that it could be done internally; a business plan could be created for each function, funding reviewed, etc. She noted that recommendations would be provided to Council by the end of the year. She added that the core services would be identified, costs, and what could be supported, etc. Councilmember Clark stated that some information could come from the citizen surveys, assuming adequate responses will be received.

Councilmember Ulledalen reported that people had sent him links to studies that had already been done. He said a constituent comment confirmed that a consultant study would be huge and would not gain a lot of useful return.

<b>Additional Information:</b>
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Councilmember Pitman stated his 91 year old mother was addicted to the National Enquirer that contained an article on acts of kindness in Billings.

Ms. Volek reminded Council of the joint City/County meeting on Thursday, at 5:30 p.m. in Laurel.

Councilmember Ruegamer asked if there was any further work on food at the work sessions. Consensus was ‘yes.’ Councilmember Ruegamer indicated he would work on it.