

City Council Work Session

February 17, 2009
5:30 PM
Community Center

ATTENDANCE:

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

ADJOURN TIME: 8:55 p.m.

Agenda

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

- **Cynthia Lauwers, 547 Aronson Avenue**, said she thought they all knew how she felt about the Sahara Park Pool because she had emailed everyone present. She said she had a petition with a few signatures asking to not approve the library and pool. She said she had logical and personal reasons to oppose it. She said she would not remain for the rest of the meeting because she did not have the heart to watch them pick through her pocketbook to do whatever they wanted. Mayor Tussing advised Ms. Lauwers that no official action would be taken that evening.
- **Pam Ask, 247 Main Street**, said she was a local businesswoman and also functioned on the Better Billings Foundation Board. She said she got behind the project, almost from the beginning, and made personal contributions because she believed in what a swimming pool could do aesthetically for the City of Billings and economic growth. She said it was the type of project required to bring people in and make them feel good about the community. She said it was a good economic boost for the Billings Heights and she totally supported the idea that a pool in that location would serve to provide continuity and unity to the two ends of the City. She said she owned businesses in both ends of Billings and wanted to see something like that happen and believed that project would do that.
- **Chuck Barthuly, 300 East Lake**, said he was with the Better Billings Foundation. He said he supported the Sahara Park project and was present to answer questions or to shed some light on any concerns that may be raised during the discussion. He explained that one of the pieces that helped identify that location was a decision matrix that he had with him if anyone wanted to see it. He said it laid out a few issues that might be helpful. Councilmember Ruegamer stated he had visited with Mr. Barthuly about the project. He asked Mr. Barthuly how much money had been raised for the project. Mr. Barthuly advised that \$480,000 was in the bank, pledges of \$2.1 million had been made and in-kind donations totaled about \$70,000, and the Better Billings Foundation was in the

process of developing a capital campaign to garner support from the broader community. He added that a grant writer had been hired to seek grant funds for the project. He said well over \$1 million in grants had been identified that could fund the project.

- **Mike Nelson, 19 N. Broadway**, said he was a new business person in the community. Mr. Nelson advised that he and his brother just purchased the Northern Hotel and looked forward to serving the community and being part of the City. He said he just wanted to say hello and see what was happening. He said they hoped to do Billings proud. Councilmembers wished him well with the project.
- **Stephanie Haider, 729 Aronson**, said she was opposed to the pool at Sahara Park. She said she felt there were better locations for it. She stated she wanted to know why the church changed the location to a quiet neighborhood street. She said they were still trying to deal with the traffic problem now that the Aronson Avenue extension was opened. She said they could not get the people to slow down, could not get the needed police force there, the requested digital signs had not be put on the street, and a pool would just make it a nightmare until the traffic was under control.

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

Lobbyist Ed Bartlett was contacted by phone and provided a brief update of legislative activities as follows:

- Links were sent to Councilmembers regarding Elsie Arntzen’s three bills related to tax increment financing, thanks to a reminder from Councilmember Ruegamer.
- Senator Essman sent his bill draft for a uniform local option to the bill drafter with final comments. That bill would be introduced within a couple of days.
- Mr. Bartlett tried to work with Senator Taylor Brown to amend his proposal to require municipalities to use revenue from public safety mill levies for the purpose stated in the mill levy request. He noted it was difficult to amend a bad bill to make it satisfactory and strongly recommended opposition to the bill that would be introduced.
- The hearing for SB 451, to repeal the Megalandfill Siting Act, was held the day before. Barb Butler from the City supported the repeal and gave a very good statement and handed out a letter in support of the repeal to the committee. There were no opponents to the bill and a number of proponents.
- HB 560, sponsored by Representative Jill Cohenour, encouraging salvaging at landfills had no proponents and a large number of opponents, including the City of Billings. Barb Butler again testified on that bill, along with Mr. Bartlett who gave a short statement and distributed a letter from Ms. Butler.
- HB 472, Street Maintenance Agreements, was supported by the City. That would straighten out some disputes with the State over who was responsible for maintenance of sidewalks. The bill was also supported by several cities across the state and opposed by the State.

- HB 531 is a proposal to not allow the use of cameras at street intersections for traffic enforcement. Billings Police Chief St. John testified against the bill as did other cities across the state.
- HB 548, a puppy mill bill, was supported by Billings. The idea was to require more involvement of state veterinarians for better health and treatment of puppies in puppy mills. Puppy mills were defined as breeding facilities of more than 20 puppies at a time.
- SB 547, the scenic byway bill, was discussed by Council a week or so ago. There were several supporters, including Mr. Bartlett, on behalf of Billings and a number of opponents who were concerned about private property rights.

Councilmember Ruegamer stated he would comment on Taylor Brown's moronic deal. He said that put the budget in the hands of the minority because as he understood it, 100 people could sign a petition to reverse a Council decision. He said that took away the rights of the City to handle its own budgetary issues. He stated it was unthinkable and he could not imagine that Senator Brown even thought of that. Councilmember Ruegamer stated he was disappointed and thought Senator Brown was more intelligent than that.

Councilmember Ruegamer said that as far as he was concerned, Elsie Arntzen turned her back on them because when she met with Council about tax increment districts, she led them to believe they were on the same page, but now she had turned around. He said Representative Arntzen would not answer any of Councilmember Ulledalen's questions and he had heard it was rumored around Billings that she was listening to one person in Billings about tax increment districts.

Councilmember McCall asked what kind of amendments Mr. Bartlett was trying to make to Senator Brown's bill. Mr. Bartlett advised he suggested amendments, without consultation with the Council, but thought the amendments would improve the bill. The suggested amendments were:

- take the State totally out of the process and put the process back into the hands of city government; and
- the petition would be 5% of the population or 100. The decision making did not change -- it stayed in the hands of the city government that would conduct an investigation, hold another public hearing on the matter, and then reaffirm its decision, change the decision or reverse it and if that was not acceptable to anyone who questioned it, the normal at-law remedies were available.

Mr. Bartlett noted he tried to change it so the city retained control over whatever happened even though there would be a process if there was a complaint or petition. He said he thought opposition to the bill was necessary.

Councilmember Ulledalen advised that he spoke with Senator Brown the previous evening. He said he got the impression that Senator Brown was not completely sure of the bill. Councilmember Ulledalen asked Mr. Bartlett if he got any indication from Senator Brown that he would ask for a re-draft in addition to the amendments. Mr. Bartlett responded that he did, but Senator Brown told him that because of the timeframe, he had to introduce the bill as it was and he would request amendments. Mr. Bartlett said Senator Brown expected and hoped for continued discussion to fix it. Councilmember Clark asked which committee would review it. Mr. Bartlett responded that he did not know but assumed

it would go to Local Government Committee. He said the bill would have to be introduced, a hearing held, executive action had to occur, and it would have to be heard on the floor of the Senate by February 26. Councilmember Clark asked Mr. Bartlett to provide any names of individuals Councilmembers could contact to express their opposition.

Councilmember Clark asked about reappraisal issue. Mr. Bartlett said the subcommittee members were frustrated with it.

Councilmember McCall asked Mr. Bartlett if he set up a preference list because she thought it would be helpful to have that information. Mr. Bartlett responded that he had and would send it to Ms. Volek to forward on to Councilmembers.

Councilmember Gaghen she heard an interview with Representative Arntzen on public radio as she was on her way to the meeting that evening. She said the portion she heard concerned mobile home owners not owning the land they sat on. Mr. Bartlett said he knew Representative Arntzen had a bill request regarding tenant rights in regard to long-term space rental. He said he did not think it involved the local government but he would take a look at it. Councilmember Clark advised that was related to Casa Village.

Councilmember Pitman referred to Mr. Bartlett’s report that indicated the City’s support or opposition on some items that had not been discussed by Council. He asked who made the decision regarding support. Ms. Volek said that was determined with the guidelines set by Council and sometimes it happened quickly without time to consult with Council, so a call had to be made to support or oppose. She said if there was something Council disagreed with, it could be reconsidered. She said they generally followed the rule to oppose impediments that limited the City’s ability to make decisions and supported items that improved local government control, which were most of the current issues. Councilmember Pitman said he knew some came up quickly, but he wished there was a way to communicate more in case they did not agree. Councilmember Veis cautioned that even an email requesting Council opinion on a matter could become a serial meeting.

TOPIC #3	<i>Sahara Park Master Plan</i>
PRESENTER	
NOTES/OUTCOME	

Parks Planner Mark Jarvis provided a brief presentation on the Sahara Park Master Plan. He noted that the Sahara Park Master Plan was presented at the December 1, 2008, Work Session and that plan included a family aquatic facility and an associated playground, play areas, a library/community center, parking areas, a buffer between neighbors and park activity, access to the Heritage Trail and transit system, and an exercise trail within the park. He said that at that meeting, staff was asked to return with an alternative without the aquatic facility and Alternative B was developed. He reviewed a diagram of what the park would look like without the aquatic facility. Mr. Jarvis reviewed the process that included two public meetings. He said participants were asked a series of questions at the first meeting, and staff then analyzed that information and developed a plan to present at the second public meeting. He noted that the second meeting was in conjunction with the Heights Task Force. He said the plan was then presented at the Parks, Recreation and Cemetery Board and that board recommended it as an alternate.

Mr. Jarvis reviewed the questions asked of community members at the public meetings and responses from those questions. Mr. Jarvis advised that about 30 people attended the first meeting and a slightly larger group attended the second meeting. Councilmember Ruegamer asked how many people at the meeting lived adjacent to the park. Mr. Jarvis responded that he did not have that information with him but would have to look at the meeting roster. Councilmember Ruegamer said that would be interesting because all he had heard from other Heights residents was that they would love to see that happen. Mr. Jarvis explained that invitations were usually sent to properties within a 300 foot radius of the subject site. Councilmember Pitman advised that with Alternative B, the direct neighborhood would have to pay for the development, so it was not sent out to the whole Heights because with Alternative B, it would be a neighborhood park. Councilmember Ruegamer asked what the complaints were about having a pool there, other than traffic. Mr. Jarvis responded that the location in relation with their homes was probably the biggest concern. Councilmember Ruegamer said he had not heard a valid complaint yet about putting a pool there. He said he drove to the area and looked at it and did not have a clear picture of the complaint.

Mr. Jarvis explained that a presentation was made at the second public meeting and the elements of the alternate plan were reviewed. He noted that the library/community center and the associated parking were included as a placeholder for future consideration by the Library Department. He reviewed the components of the formal structured play area, the active programmable space, the buffer area, and other features of it such as landscaping, trails, and development and maintenance costs. Mr. Jarvis advised the Sahara Park Master Plan with the aquatic center and proposed library/community center would be recommended to Council for consideration and approval.

Councilmember Ulledalen asked Mr. Jarvis if he had any cost estimates for an SID and a park maintenance district. Mr. Jarvis said he did not, because the benefit district would have to be determined. Ms. Volek pointed out that there were many park master plans that the City was acting on now that were 10-20 years old. She said it looked like that plan was moving forward quickly and there was nothing that said if Plan A did not go forward, that Plan B would be developed unless there was an initiative from the neighborhood or another factor that triggered that development. She confirmed that the recommendation was for adoption of the master plan that included the aquatic facility. Mr. Jarvis said that was correct. Parks Director Mike Whitaker added that if the plan did not come to reality, an update could be presented that did not contain a pool and Council could adopt a master plan update at any time.

Councilmember Ronquillo asked if the Better Billings Foundation planned to build an aquatic facility somewhere else if it was not built at the Sahara Park location. Mr. Barthuly responded that they hoped to do that. Councilmember Ulledalen asked if the master plan could be rescinded at any time so it would not come up in the future and be an issue then. Councilmember Veis stated that it was true a master plan could be updated any time, but it was a lengthy process. He said he felt it was better to be broad in the plans and he liked the idea of an A and B plan so there were options to avoid putting another park project on hold while a master plan was updated. Ms. Volek suggested that once it was considered, a timeframe could be set for the Better Billings Foundation to make a commitment, and then Council could create an initiative to bring it back after the established timeframe to adopt the alternate if the initial plan was not developed. She said a new master plan was usually

requested but in that case, since an alternative was identified, if the first plan did not succeed, the Plan B could be adopted for future development. Councilmember Veis stated that his concern with that was if it was five or seven years from now, the institutional knowledge may not exist to make a Council initiative to consider Plan B of the master plan. Ms. Volek asked Mr. Barthuly if he had any time frame in mind. Mr. Barthuly responded that they hoped to begin construction within one or two years and would be comfortable with language that if it did not happen within five years, Plan B was adopted. Councilmember Ulledalen agreed a termination date was needed. Councilmember Pitman said the Parks Board recommended five years. Mr. Whitaker explained that the Board wanted to see progress by the Foundation and something completed within five years. Councilmember Pitman said he attended all the meetings and the neighbors were not overly thrilled about developing the park at all. He stated there were not any waivers or letters of protest and the chance of the park getting developed in any other form was fairly slim.

Ms. Volek advised the master plan, the included the aquatic center, would be presented to the Council for formal action.

TOPIC #4	<i>Councilmember Committees</i>
PRESENTER	
NOTES/OUTCOME	

Ms. Volek advised that the item was included in the Friday Packet. She reviewed the current appointments and appointments needed. Mayor Tussing asked if the appointments had to be made at a regular meeting. It was agreed that formal appointment would be made at the March 9 meeting as follows:

- Big Sky EDA – Jani McCall
- Policy Coordinating Committee – Larry Brewster or Chris Veis
- Yellowstone Veterans Cemetery Board – Denis Pitman
- Transportation Plan Update Committee – Vince Ruegamer
- Beartooth RC & D – Ed Ulledalen

TOPIC #5	<i>Planning/Building Personnel</i>
PRESENTER	
NOTES/OUTCOME	

Planning Director Candi Beaudry provided an update on the changes in budgets and personnel for the Building and Planning and Divisions. She said the Building Division’s revenue was estimated at \$1.5 million, but it was expected the year would end with a shortage of \$168,000 or more due to the nosedive in residential development. She said there was still some commercial activity, but the way the fees were structured, they gained more through a lot of residential development than through a few large commercial developments. She said the fees were on a decreasing sliding scale so there was actually a discount for the larger commercial development, which was basically the activity that resulted in the fee shortage. Councilmember Clark asked what Ms. Beaudry predicted about the commercial development. Ms. Beaudry responded that it was uncertain, that there were a few things in

the mill, but much of the current development was permitted previously and the activity was very low.

Ms. Beaudry explained that a certain level of reserves had to be maintained and they were eating into them quite a bit to deal with the shortfall from the current year and what was anticipated for next year. She said three Building Division employees, two building clerks and a plans examiner, were notified that their last day of employment was May 29. She said the division was also taking steps to reduce expenditures including reductions in travel, training, and transfers to other departments. Ms. Beaudry said staff could have been laid off sooner and more savings realized, but spring was typically a busy part of the year and they wanted staff as long as possible and to provide as much time as possible for those employees to pursue other options. She said giving them until May 29 was possible due to some of the reserves.

Ms. Beaudry reviewed a handout that contained application and fee data. She pointed out the steady decline in permit fees. She noted that fees were tied to valuation of projects and even though there was a \$33 million increase in valuation in 2008, the fees were less because the projects were large enough to be assessed lower fees.

Ms. Beaudry advised that the Planning Division was in more difficult straits mainly due to the fact that the fee revenue had gone down dramatically. She explained that the fees made up part of the local match for federal funds and if the local match was reduced, the federal dollars went down also. She said the estimated shortfall was \$120,000 and the Planning Division did not have reserves left. Ms. Beaudry advised that staff positions had to be eliminated because staffing made up about 65% of the budget. She reported that a budget amendment request would be made to transfer a portion of her salary and Code Enforcement Supervisor Nicole Cromwell's salaries from Planning to the General Fund. Ms. Beaudry said she tracked her time and estimated at least 25% of her time was spent on Code Enforcement. Ms. Volek pointed out that the Code Enforcement function was in the General Fund, but the supervision was not and when questions or issues arose, management was consulted because the code enforcement officers were in the field. Ms. Volek recommended the salary transfer. Ms. Beaudry explained that even though she was the Director of Planning, Building and Community Development, her entire salary was paid by the Planning and Building Divisions. She noted that Community Development could not contribute to her salary because federal regulations capped what could be charged to administration.

Councilmember McCall asked about staff reductions in the Planning Division. Ms. Beaudry responded that she had not notified individuals so she could not discuss it yet. She said it would be deep and severe and would affect the division's ability to provide services. She said any type of long range service would be limited and customer service would be reduced as well because the counter hours would be reduced. She added that staff's participation in committee work would be eliminated. She noted that permitting would be essentially all they would do – regulations would not be updated, and Council initiatives would be considered closely.

Councilmember Clark asked what the department's budget looked like for the next year. Ms. Beaudry said that was the reason for the staff reductions and there could be more. She noted that \$30,000 would be eliminated from the federal grant which was about half of the grant. Mayor Tussing asked what the grant funds paid. Ms. Beaudry explained they paid about 50% of each employee's position and it depended on how much each position worked

with each element that had specific reimbursement rates. Ms. Volek added that the potential transfer of the code enforcement salary was retroactive to the beginning of the year. Ms. Beaudry advised that she waived her step increase for the next two years, along with a car allowance. She said the revenue calculations also included a master site plan review fee and because it was just implemented in January, significant revenue from it was not expected given the state of the development community, so anything received from that would be negligible.

Ms. Beaudry said some increases were received in property taxes. She said special transportation projects were 100% reimbursable by the Federal grant and there was \$35,000 more there than estimated. She said when it was all balanced out, the best guess was that the department would still be \$7,000 short, but she hoped for more fees than anticipated.

Councilmember Pitman asked how the layoffs were classified. Ms. Beaudry stated she felt it would be unwise to eliminate the positions and she preferred to have the ability to recall the employees in the position if the need arose. Ms. Volek noted that some positions in the departments were Teamster positions and the terms of the contract required a two-year callback. She added that Human Resources staff was working on a layoff policy for non-represented employees and she believed it would contain a similar provision. Ms. Volek said the reality of the situation was that when the market improved, the City would likely be criticized for not having sufficient staff available to handle applications, and for that reason, she recommended keeping the positions vacant since there was no cost attached to them when they were vacant. Ms. Beaudry advised that the Council adopted a Unified Work Plan that was a federal document that outlined positions and elimination of positions significantly complicated how the work plan was derived. She said the current work plan was in place until October 2010 and it would have to be revised and funds would have to be reallocated. Ms. Beaudry said she agreed wholeheartedly with Ms. Volek that terminating the employees was due to a drastic reduction in building activity and they felt it would turn around so they needed to maintain the ability to recall the employees or fill the positions rapidly.

Councilmember Ulledalen asked if some of the building permit reviews could be outsourced to other agencies if things started accelerating and staff could not react quick enough. Ms. Beaudry explained that a third party contractor was always available and would be an option. She noted there would not be a reduction of service at the Building Department Counter, but Planning services would be reduced when the cuts were made.

Mayor Tussing asked where the County fit into that. He said that at some point they could decide that they did not need to contribute as much since the department was not as large. Ms. Beaudry advised that the County did not really contribute from its general fund; it was through the planning mill levy that was paid by every property owner in the County. She added that 15% of that mill levy actually went to the County GIS. She said they visited with the Commissioners the previous week about reducing that for the current year and renegotiating it for the next year so it was tied to activity level instead of a flat percentage.

Councilmember Clark asked when employees would be notified. Ms. Beaudry said it would be done during the current week and it would be effective by April 1 because there were no reserves for the department to keep the positions beyond that. Councilmember Veis asked if there was potential to get stimulus funds from the Governor since the whole point of the funds were to avoid layoffs of police, firefighters, etc. Ms. Beaudry explained there could be something through HOME and CDBG funds, but not through stimulus funds.

Ms. Volek explained that she pointed out to a member of the firefighter union leadership that information she received regarding firefighters and SAFR funds, still meant two years hence. She said the stimulus was absorbing the first two years of the match and after that, the City was responsible for the match. She said details were still afloat because it was being changed so much and one of her goals was to work with legislative staffs to find out exactly what we were getting. Councilmember Veis advised that he understood there were a lot of programmatic funds that had to go through the same channels as always, but the Governor also got about \$680,000 million to spend how he wanted and those block grants to the states were to be used to shore up state and local governments so cops, firefighters and public employees were not laid off. He stated that cities were not very happy with it because the Governor got to decide where the money went. Ms. Volek said she saw a list at the same meeting and did not see anything specific on it. Mayor Tussing stated he thought he saw the figure that 11,000 jobs would be created or saved in Montana. Ms. Volek noted that referenced jobs in construction but not in city/county planning. Ms. Beaudry advised that those funds could be worked around when certain programs had to be administered. Mayor Tussing asked if they were just talking about roads. Ms. Beaudry stated it was for infrastructure. Councilmember Veis said there was a significant amount of money for programs already there and there was also a large amount of money that Governors could spend how they wanted. Ms. Volek advised she would check into that.

Councilmember McCall stated she thought they were talking about the Montana Stabilization Fund -- \$121, 371,174 that was intended to assist state and local governments for education, public safety and other needs. Ms. Volek advised there were some law enforcement-related grants but she would also do some further checking.

Ms. Volek advised that a budget amendment that allowed the transfer of wages would be brought forward to the Council and if that transfer was not made, additional cuts would be necessary. Councilmember Clark asked how that impacted the General Fund for the current year. Ms. Volek said the fund was still good for the current year, but the shortfall would be realized beginning with FY 2011. Councilmember Clark said they needed to start looking at that now and needed to be careful with spending in the current year.

TOPIC #6	<i>Quarterly Updates (Budget, Initiatives, Downtown Billings Partnership, Strategic Plan, Pending Litigation-Executive Session)</i>
PRESENTER	
NOTES/OUTCOME	

Budget

Ms. Volek advised that a quarterly budget update was sent in a Friday Packet several weeks ago.

Initiatives

Ms. Volek referenced two lists of Council Initiatives – one that showed items still in progress and the other that showed those that were completed. Ms. Volek reviewed the items that were completed since the previous report. She briefly reviewed the projects as follows:

- Standardization of Qualifications for Boards and Commissions.

- Animal Shelter contract. A late March meeting was scheduled with that group to discuss the transition before it took place.
- Ordinance that allowed the Building Department to work with builders.
- Left turn signals purchased for 32nd and Monad.
- School District #2 agreed to take on the pet waste problem issue.
- Resort Tax – determined not to be discriminatory with current regulations. Addressing that with the Legislature.
- Speed limit on Central Avenue. Traffic Control Board made a speed limit recommendation.
- Public and private facilities -- addressed in the Boards and Commissions report.
- Freezing water rates. Rates are based on usage.
- Agenda Review Meetings. The meetings were discontinued.
- Bylaws of the PCC – scheduled for February 18, 2009, PCC meeting.
- Revision of letter to victims of graffiti violations.

Ms. Volek reviewed the list of initiatives that were not yet completed and provided a brief progress report for each item. She pointed out that the State would not allow screening for the 6th Street West Underpass to control the mess caused by the pigeon population. Councilmember Ronquillo stated he visited with Stefan Streeter from MDT and it would be discussed at the PCC meeting. He said the City was paid by the State to keep that area cleaned and maintained. Ms. Volek advised she would look into that.

Councilmembers discussed the special review process for existing all-beverage liquor license holders who might seek a special review to construct a patio for a smoking area. Councilmember Veis stated his intention for the initiative was so that Council did not have to review each request, but by virtue of an ordinance, if the existing license holder met certain conditions, staff could approve the special review.

A short break was taken

Downtown Billings Partnership

Downtown Billings Partnership Executive Director Greg Krueger distributed a summary of the Fund 202 Projects – the Babcock Theatre, Federal Courthouse and things funded from the development agreement at the sunset of the old tax increment district. He said the Railroad Quiet Zone would be in place by July, 2009. Mr. Krueger said he asked Aaron Sparboe to attend the meeting that evening. He noted that Mr. Sparboe was with The Management Group that was constructing the First Interstate Bank Operations Center located in the East Billings Urban Renewal District. He said Council would be asked to act on a development agreement that had been in progress for well over a year. Mr. Krueger mentioned the Northern Hotel project that would be a premier project in the tax increment district. He said a tour of the Babcock and possibly the Northern Hotel would be arranged for Councilmembers.

Councilmember Ruegamer asked if the contract required improvements on the Babcock Building. Mr. Krueger said the requirements were for a new roof, expansion of the stage by removing the wall that reduced the size of it, and a sprinkler system for safety.

Councilmember Ruegamer said he brought it up because he suggested to Mr. Krueger and Lisa Harmon, Executive Director of the Downtown Billings Association and Business Improvement District, they should brainstorm for an annual event to raise money for a Babcock Theater endowment for improvements or a fund that went with the facility when it reverted to the City. Councilmember Veis pointed out that the development agreement required creation of a 501c3 and the fundraising was their responsibility. He said he did not think the DBA should have to do the fundraising. Ms. Harmon advised there was an event scheduled for March 14 that would donate part of the proceeds to the Babcock. Mr. Krueger said the Babcock project was under budget and about 60% of the first phase was complete.

Mr. Krueger distributed a memo that asked Council to set a date near the end of March to consider action on contracts with the Downtown Billings Partnership and the BIRD for the purpose of assisting with management and suggestion of projects, and a development agreement for both the east district and the downtown district. Councilmember Veis asked what kinds of problems property reappraisal could cause with what was estimated. Mr. Krueger said it would not have severe impact on the N. 27th District but could on the East District because it could take time for the East District to have revenue on an even par with the N. 27th District. He said he proposed borrowing money from the BID's reserve account as needed. He said he believed the First Interstate Bank facility alone would take care of that and there were a number of other projects so he did not see a big change. Mr. Krueger stated he would also like to present the development agreement with First Interstate Bank at the same meeting when the other contracts were considered.

Mr. Krueger advised that he and Ms. Beaudry had reviewed the application for urban renewal projects and agreed it would be pertinent and usable for any tax increment district in the City. He said he recommended consideration of reimbursing a developer as much as 45% of the increment it generated to get a district jump-started. He noted that public benefit had to be shown based on a Montana Code. He asked for Council's opinion whether it should move ahead. Councilmember Ruegamer suggested going ahead. Councilmember Ulledalen agreed.

Mayor Tussing advised there was an opportunity to invite the planners from the Mayor's Institute for up to three days. He said he attended the Mayor's Institute in 2006 regarding 4th and Broadway and if the planners were invited, the same issue had to be addressed. Mr. Krueger offered to follow up on that. Mr. Krueger said Mayor Tussing had also provided him information regarding the Rudy Bruner Award. He said the City had actually applied for it before and was not selected, but it would be kept in the hopper for another project.

Ms. Harmon reviewed the Expansion and Cooperative Security Plan. She said the BID was very happy with the downtown officer. Ms. Harmon reviewed the area the BID maintained on a daily basis. She said they were looking to expand the area with properties that elected to be in the BID through a contract. She reviewed the expansion plans with an enlarged footprint of Safety Zone and the Clean and Safe Zone. Ms. Harmon said Downtown Beat Officer Shane Winden was working in that area and had already solved crimes. She stated that safety was a very significant concern. Councilmember Gaghen reported that at the North Park Task Force the week before, it was discussed that Officer Winden was successful in apprehending the person who stole purses at Head Start. Ms. Harmon noted that the tax increment financing not only paid the wage for Officer Winden, a car was purchased for his use in addition to bike patrol.

Ms. Harmon reviewed the expenditures of the \$184,000 TIF allocation that included the downtown beat officer vehicle, wages, benefits, uniform, and unanticipated overages. She noted that all but \$13,000 was allocated for the two-year period, and the question was what could be done to sustain the program after the two-year period. She explained that expanding the safety zone and assessing the square footage of property would generate enough to sustain the program. She added that the BID Board capped each property owner's assessment at \$7,500, which only applied to a couple of large property owners, and a floor was set at \$100.

Ms. Harmon reviewed the plan to expand the Clean and Safe Zone. She stated the expansion included contract properties near the railroad area, and other businesses in the expanded area would include Billings Gazette, Stockman Bank property, Yellowstone Art Museum, Master Lube, Jock West Building, GSA Building and MET Transit if approved by its board.

Councilmember Veis asked staff where the money came from to pay the City's assessment. Ms. Volek said that had not been determined. Ms. Harmon explained that the North 27th Street TIFD and the BIRD could each be assessed half. Councilmember Veis stated that since North Park made up a good portion of the City's property, he wondered if the Parks department should be assessed accordingly. Councilmember Veis asked why the Police Department was not at the parks if the service was needed there. Ms. Harmon said police presence was in the parks, but Officer Winden got a closer look at what happened at North Park. She also said she did not think the City could buy better public relations for its \$7,500 over a two-year period.

Councilmember Ulledalen said he understood that the City's Code Enforcement Department filed a complaint against the Stockman Bank property at 4th and Broadway and as a result, the chain link fences went up and it looked horrible. Ms. Volek said the fences were put up because transients were getting into the building. Ms. Volek said she would check into it.

Councilmember Clark asked why the City would pay twice for police protection in the parks. Ms. Harmon explained a car or an extra police officer could not be purchased for that amount. Mayor Tussing said she meant additional personnel, not supplanting. Councilmember Veis said he worried that the cost would continue to increase because once it was put in; there was little or no control over what it cost. He said where the money came from was important and if the money was not coming from the Police Department budget, he asked why they were not already taking on their obligation in those areas. Ms. Harmon advised that if property owners did not want to participate, the safety zone area would change and those properties would not be included. Mayor Tussing asked if an in-kind contribution could be considered as the City's contribution since support staff served that officer the same as for other officers. Ms. Harmon responded that could be considered. Councilmember Clark stated his concern that the area would be expanded so much that it would be too much for one officer and it would not be able to sustain itself with one officer. Ms. Harmon stated that the assessment scenario paid for two officers for the downtown area.

Strategic Plan

Ms. Volek said she did not get the update done for the strategic plan and would do that and get it out to Councilmembers.

Councilmember Veis mentioned that Engineering, Inc. changed its name to Sanderson Stewart.

Additional Information:

Mayor Tussing stated that he had a conflict and could not attend the Yellowstone Valley Electric Cooperative breakfast March 17, so if anyone wanted to attend on behalf of the City, they should let him know. Councilmember Ulledalen said he would attend.

Mayor Tussing advised that he gave Executive Secretary Wynnette Maddox a list of his suggested appointments to be made at the next Council meeting and since he would not be at the meeting, Councilmembers could not change it then. He said if any changes were requested, Councilmembers needed to contact him by Thursday and he would decide if he would change his recommendation prior to Monday's meeting. Ms. Volek advised the applications could be emailed to Council.

Pending Litigation-Executive Session

Council adjourned to Executive Session at 8:10 p.m. for a review of pending litigation by City Attorney Brent Brooks. The regular session resumed at 8:55 p.m. and immediately adjourned.