

City Council Work Session

May 27, 2009
5:30 PM
Community Center

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: 7:55 p.m.

Agenda

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

- There were no speakers.

TOPIC #2	<i>Library/PRPL Budget Review (with Parks Board)</i>
PRESENTER	
NOTES/OUTCOME	

LibraryBudget

Library Director Bill Cochran advised that the budget would balance, excluding capital and supplemental budget requests that would be funded from external revenue sources or unobligated reserves. He pointed out that estimated revenue was approximately 2.4% less than FY2009 estimated revenue primarily due to a decrease in city tax and general fund transfer.

Mr. Cochran reviewed a breakdown of the revenue sources and pointed out that the transfer of the 5 mills from the general fund was correctly identified.

Mr. Cochran reviewed budgeted expenditures and indicated there were no significant changes other than the CIP project for a Heights branch site evaluation. Mr. Cochran explained that 49% of the budget was for personnel services while the Montana average was 65%. He noted that his staff was very productive and had more items per staff member than other libraries that size.

Mr. Cochran reviewed the capital projects and advised that the \$150,000 for the community library project was not in the proposed budget but would be in the final budget document.

Mr. Cochran reviewed the supplemental budget requests that included replacement of the Library software system for which all but \$20,000 would be paid by the state library; a comprehensive strategic plan that included a \$50,000 contract with the City-County Planning; and network improvements. He noted that the revised total of those requests was \$140,000.

Mr. Cochran reported that the Heights site evaluation study was the first formal look at where a library should be located in the Heights. He explained that \$150,000 for that study would permit an investment similar to the downtown and the west end projects. He noted that only half of the community library allocation would be spent and the final report would be provided to the Library Board in July.

Mr. Cochran advised that a business plan would be completed. He said it would be a bridge plan to the 25-year strategic plan that would be available a few months later. He said a major decision would be needed within the next year about the future of the existing downtown building and whether repair or expansion of the building was advisable. He said there was a possibility of moving to the Gainans building or other potential sites in the downtown area. He advised that in the last three years, \$650,000 was spent for improvements that were not visible. He added that all major systems were in the process of failing.

Councilmember Ruegamer asked why the proposed budget reflected a \$400,000 shortfall and the expenditures increased by \$400,000. Mr. Cochran explained that was due to the capital projects and supplemental budget requests from the Library's own reserves that were planned for those expenses.

Councilmember Veis asked about the charges for services. Mr. Cochran responded that the loss of Public Works from the 4th floor contributed to that. He explained that the reimbursement from tenants was based on past occupancy and costs. He said there was reluctance to seek outside tenants due to the uncertain future of the building and there was not any interest from other City operations that wanted the space.

Councilmember Gaghen asked why the service revenue increased in 2008. Mr. Cochran stated he thought it was due to Public Works paying rent for a period of time after they moved from the building. He added that the cost allocation for building improvements could have been paid quicker due to the Public Works move.

Councilmember McCall asked if the study on the Gainans property, the Heights site study and the strategic plan were all due in 2011. Mr. Cochran advised that he hoped they would all be complete in time for the FY2011 budget cycle and all would be tied together with the strategic plan.

Councilmember Pitman asked if a decrease in fine collection had been seen. Mr. Cochran explained that a collection agency was used and they could use tactics and find people that others could not. He noted that about 40% of the material cost and fines were recovered.

Councilmember Veis asked if the budget would be amended to reflect the decrease of the joint community library funds. Mr. Cochran said it would be amended after the amount of the drawdown was known. Councilmember Veis also suggested showing an allocation of \$75,000 for a Heights site evaluation since it was unlikely that \$150,000 would be spent on the evaluation.

Mr. Cochran discussed the heating and cooling conditions of the third and fourth floors of the Library building. Planning Director Candi Beaudry added that the fourth floor's condition impacted morale issues for the 35 employees of her department. She said it was possibly unhealthy and affected performance levels. She stated she would support Mr. Cochran on any long range plans for the future of the building.

Councilmember Gaghen acknowledged the huge "bang for the buck" from the Library and its staff. She said it was an efficient operation in a substandard building, without other Library branches.

Councilmember Astle asked what would happen to the Planning and Building Department if the Gainans building worked out. Mr. Cochran advised that there would be time to determine the future and use of the building because Gainans was on a two-year plan. Ms. Volek explained that there would likely be other options in the downtown area.

PRPL Budget

Parks, Recreation and Public Lands Director Mike Whitaker introduced Parks Board members and superintendents of the Parks Department and the Cemetery.

Mr. Whitaker reviewed the functions related to the lands and facilities managed by the PRPL Department. He reviewed FY09 accomplishments that included master plans for Riverfront, Briarwood, and Howard Heights/Dickie Parks, online program registration, Central Park playground installation, Pitch, Hit and Run program, and the purchase of two new buses with an Exxon-Mobil grant. He reviewed current projects such as the parks need assessment, Pioneer Park Master Plan update, expanding usage of Dehler Park, restrooms at the skate park, and a deck area along third base at Dehler Park.

Mr. Whitaker reviewed results of the citizen survey regarding parks and facilities. He noted that 92% of residents visited a park in the last year.

Mr. Whitaker said a 5% increase would be seen in the budget due to park maintenance assessments and cost of living increases. He reviewed the breakdown of the department budget by division and the revenue sources. He noted that the cemetery revenue was down due to a reduction in the number of burials.

Mr. Whitaker advised that park maintenance district assessments would increase about 12%, primarily due to increased water and electric rates. Councilmember Veis stated that it appeared the estimated assessment for FY09 was off by about \$100,000 and he wondered if the FY10 projection was accurate. Mr. Whitaker explained that a thorough analysis was done of each district with the Finance Department and the changes made would stop the imbalance. He said the improved cost allocation process made a difference. Ms. Volek noted that the cooperative effort was working better and keeping the income from the park districts separate improved the accuracy. Mr. Whitaker advised that approximately 15% was kept in reserves. Councilmember Veis pointed out that the designated reserves on the budget page showed a zero balance. Finance Manager Pat Weber explained that reserves were kept in the budget but were not shown as designated reserves in any fund. He went on to explain that each district's revenue, expenditures, and reserves were kept separate.

Mr. Whitaker reviewed the supplemental budget request. He pointed out that most of the items were for increased costs of chemicals and utilities. Councilmember Veis asked about the increased costs of internal tax assessments. Parks Superintendent Jon Thompson explained that development costs and assessments were paid for all park lands. He said the General Fund had been under-budgeted by about \$29,000 for the last several years and a budget adjustment was done last year to cover that. He said the supplemental budget request was used instead to increase that amount to the actual assessment. He added that the assessments were primarily for street lights, street improvements, etc.

Mayor Tussing asked about staff training. Mr. Whitaker explained that training was needed for some required certifications. He said funds from other line items had been used to pay for some of the necessary training and the supplemental budget request was to catch up on the needed training.

Councilmember Ronquillo asked about the costs of vandalism in the parks. Mr. Whitaker advised that Mr. Thompson would provide a report on that at a June work session. He added that they had been working with the Police Department to reduce the vandalism.

Councilmember Ronquillo asked about alternatives to the South Park wading pool. Mr. Whitaker advised that a replacement proposal would be presented to the Council.

Councilmember Pitman asked if it was vital to continue to prepare Section 15 of the cemetery for future use if the number of burials was down. Cemetery Superintendent Lee Stadtmiller explained that the funds were kept in an expansion fund and no General Funds would be used for that and the expansion would be needed in about five years. He explained that the shortfall in the cemetery was a direct result of the economic situation. He said he anticipated a shortfall even with the proposed fee increase. Mr. Whitaker advised that the revenue projections did not include the proposed fee increase, which was estimated to generate an additional \$5000.

Mr. Whitaker reported that the department was meeting strategic plan goals by conducting a needs assessment and investigating alternative funding.

Councilmember Veis asked about the level of service provided to parks not within a park maintenance district. Mr. Whitaker explained that weeds were not sprayed, but the grass was mowed on a regular basis. He said the estimated cost to spray for weeds in those parks was \$20-30,000. Councilmember Pitman said he learned that the Parks Department could accept donations for weed spray or controls and it should be coordinated through the department.

Councilmember McCall referenced the results of the citizen survey regarding parks. She said a city-wide park maintenance district should be explored. Mr. Whitaker advised there were 38 park maintenance districts that included less than half of the parkland and the revenue from them made up more than half of the operating budget. He noted there were different maintenance standards for the parks not within the PMDs.

Councilmember Ruegamer suggested that if a citywide park maintenance district was proposed, it needed to be clear how the funds would be used and whether they would all be used for park maintenance. Mr. Whitaker referenced the 40% of staff that worked indoors and explained that they were full-time supervisors, clerical staff, etc. He noted that over 250 seasonal employees were hired to work in the parks and that all the mowing was done with seasonal employees.

Councilmember Astle asked about the use of temporary restrooms. Mr. Whitaker explained that they were used prior to the time that the 22 park restrooms were ready to be opened.

Councilmember Veis asked if other funding strategies were considered. Mr. Whitaker advised that an inventory of the parks was completed and about 176 acres were potential sites to sell. Councilmember Ulledalen said there were parks that could be sold in order to improve parks that were more desirable to develop. He said the City should be able to work with the Parks Board and to come up with a rational plan that could correct messes from years past.

Councilmember Astle asked if the City was able to form a citywide district. City Attorney Brent Brooks stated he needed to review the legislation and had to research the issue of park maintenance districts. Councilmember Brewster stated that a citywide maintenance district would have to be put on a ballot. He commented that it would free up money in the General Fund and a plan would be needed to reduce mills or to allocate them to other expenses that were parks related or completely different. Councilmember Ruegamer commented that he would not support creation of a city-wide district without a public vote.

Ms. Volek provided a further explanation of park maintenance districts. Discussion followed regarding park improvements and new housing developments, and some of the existing smaller parklands. Councilmember Brewster referenced small parklands that were difficult to maintain and trailed behind backs of homes. He suggested giving that land to the landowners. Councilmember Ulledalen stated there seemed to be a bigger demand for trails than developed parks and he thought that should be a higher priority. He said the needs assessment should take a look at what the community wanted. Mr. Whitaker agreed that trails were needed but said there was also a need for large, programmable spaces. Ms. Volek noted that trails were expensive to maintain. She added that something that was occurring was that people questioned whether they wanted to spend money for developing neighborhood parks. Mayor Tussing asked if it was known what percentage of new developments were using trails instead of parks. Mr. Whitaker said he did not think there was any percentage of that because it was up to each developer. He said he expected the needs assessment to help prioritize and determine what people wanted and were willing to pay for.

Councilmember Clark asked what happened to the money that was paid in lieu of parkland. Ms. Volek advised that it went into a special fund intended for future park development. Mr. Whitaker stated there was about \$1 million in the fund. Councilmember Veis pointed out the projection was to have about \$1.7 million in it by the end of the year. He said he did not see anything getting done by the parks department and used the Pioneer Park master plan as an example. Mr. Whitaker advised that the RFP was in and the proposals were in, but he did not believe the master plan would be completed for the current summer. Councilmember Veis referenced an 18-month old initiative to sell Lampman Park and said nothing was done with that either. He said things just went on and on. He suggested that each Councilmember should identify parks in their areas that could be sold and that could be the criteria to sell them. Ms. Volek advised that previously there was a list of parks to be sold and some neighborhoods created park maintenance districts because they did not want the parks sold.

Councilmember Ulledalen stated that he was concerned with Phipps Park. He said it was a jewel that the City could not afford to maintain and he was aware that the park was steadily being degraded. He suggested a volunteer group to raise funds and promote the park. He said it could end up being an ecological disaster in a few years. Councilmember Ulledalen asked if it could be transferred to the State. Mr. Whitaker responded that he agreed the City did not have the resources to maintain it properly. He explained that the Parks Board was working with the Park Foundation. He said the fundraising to date was mostly for low-income recreation program support.

Councilmember Gaghen stated that she attended a meeting in 2003 when several parks parcels were offered for sale to the public. She said only two parks sold for only \$6-7,000. She said some parklands were not attractive to people and agreed that the land adjacent to property owners could be given to those landowners.

Councilmember Ruegamer pointed out that the largest parks in Billings were primarily sports parks.

Mr. Whitaker continued his budget presentation with a review of challenges. He noted that the Rose Park pool liner and slide flumes were in need of replacement and would cost about \$930,000. He said the revenue from the slides was about \$35,000 per year. Mr. Whitaker advised that another challenge was the Castelrock Park tennis courts which have been closed. Councilmember Ronquillo stated that prior management obtained money for tennis courts and

they crumbled. He suggested asking for enough money to fix things correctly. Mr. Whitaker stated that there were also several park buildings that had roofing needs.

Mr. Whitaker stated that \$31.52 per year provided a resident annual access to the City’s parkland and recreational facilities. He said that was an exceptional value.

Councilmember Ulledalen stated that he felt that money could be raised for specific uses for visible results. Mr. Whitaker agreed and said that was why he hoped the Foundation was active.

Mayor Tussing asked if the County contributed to the parks since they passed laws that impacted some parks. Mr. Whitaker responded they did not.

Councilmember Pitman asked about volunteer groups. Mr. Whitaker said there were numerous volunteers but he did not have a dollar value associated with them.

Councilmember Pitman asked about the electronic reader board. Mr. Whitaker explained its intended purpose but noted that it was not funded. Ms. Volek explained that the computerized program registration was determined to be a better expense and the available funding was directed there instead of the reader board.

Ms. Volek commented that Council wanted change in the Parks Department, but pointed out that many of the problems were 20 or more years in the making and would take some time to correct. She said she would work with Mike Whitaker and the Parks Board. Ms. Volek noted that there were achievements in the last few years, such as Dehler Park. Councilmember McCall said she agreed with that assessment and stressed the importance of thinking in terms of the big picture.

Councilmember Pitman commented that the cemetery looked great for Memorial Day.

Councilmember Veis thanked the Parks Board for being present to hear the discussion.

TOPIC #3	<i>Downtown Business Improvement District Budget</i>
PRESENTER	
NOTES/OUTCOME	

Downtown Billings Association Executive Director Lisa Harmon advised that it was the fifth budget year for the Business Improvement District. She explained that the projected budget was \$234,000. She reviewed the primary revenue sources as property owner assessments and contracts. She noted there were approximately 97 property owners.

Ms. Harmon reviewed the work plan expenditures and noted that the focus was improving the safety and cleanliness of the downtown area. She noted that staffing was 56% of the budget. She said that was due to their focus of being out on the street serving the district.

Ms. Harmon advised that the office space and expenses were split three ways between the Business Improvement District, Downtown Billings Association and Downtown Partnership.

Ms. Harmon reviewed special projects planned for the next year. She noted there was significant effort put into the care of the trees.

Ms. Harmon reviewed the capital expenses. She noted that a new ATV was needed for snow removal.

Ms. Harmon reported the BID had three full-time employees and seasonal employees. She said they worked with the Parks Department employees. She reviewed the Board membership and officers.

Councilmember Ruegamer asked about salaries from the BID. Ms. Harmon advised that BID paid the following salaries: .5 FTE for Lisa, one employee at .33 FTE and an operations director at .75 FTE. She said the rest of the salary dollars went to the Purple People who made \$8-9.50 per hour.

Ms. Harmon said the BID was considering a recycling program with Solid Waste beginning next year.

Mayor Tussing asked if a Council decision was needed on the BID budget. Ms. Volek advised that the budget and work plan had to be approved.

Councilmember Astle commented that he always saw the Purple People working hard.

Additional Information:

None.