

REGULAR MEETING OF THE BILLINGS CITY COUNCIL MONDAY, JULY 24, 2000

The Billings City Council met in regular session in the Council Chambers located on the second floor of the Police Facility, 220 North 27th Street, Billings, Montana. Mayor Charles Tooley called the meeting to order and served as the meeting's presiding officer. The Pledge of Allegiance was led by Mayor Tooley, followed by the Invocation, which was given by Councilmember Mark Kennedy.

ROLL CALL – Councilmembers present on roll call were: Bradley, McDermott, McDanel, Kennedy, Iverson, Ohnstad, Johnson, and Larson. Councilmembers Deisz and Elison were excused.

MINUTES – July 10th. The Minutes were approved as printed.

COURTESIES – City Administrator Dennis Taylor recognized Kevin Albright who has completed his one-year VISTA volunteer service in the Community Services Dept. He has worked with task forces and arranged leadership training and formalizing their structures and their marketing efforts.

PROCLAMATIONS – Mayor Tooley. Mayor Tooley proclaimed July as Americans with Disabilities Act Month and July 23 as Parents Day in Billings and the week of July 23-29 as Parents Week.

BOARD & COMMISSION REPORTS – There were no Board and Commission reports.

ADMINISTRATOR REPORTS – Dennis Taylor. – There were no Administrator Reports.

CONSENT AGENDA:

1. A. Mayor's Appointments:

- (1) Marianne Hanser, urban supervisor on the Yellowstone Conservation District Board.

B. Bid Awards:

- (1) **SID 1345: Water, Sanitary Sewer, Storm Drain & Street Improvements for Wentworth Drive, Lake Hills Subdivision.** (Opened 7/11/00). Recommend AME, Inc. for Schedule I, \$99,978.50 and Empire Sand & Gravel, Inc. for Schedule II, \$98,768.00.
- (2) **Plant Mix Asphaltic Concrete and 3/4" & 1-1/2" Crushed Aggregate.** (Opened 7/11/00). Recommend JTL Group Inc. and Northern Line Layers.
- (3) **Billings Parks 2000 – Park Improvements.** (Opened 7/11/00). Recommend rejecting bids received and rebidding.
- (4) **Cleaning Services for four (4) parking garages.** (Opened 7/11/00). Recommend rejecting the bid.
- (5) **Amended Sale of \$625,000 Broadwater Subdivision Improvements, Phase II Bonds.** (Opens 7/24/00). ~~Recommendation to be made at meeting.~~ Recommend Dain Rauscher, Inc., at 5.055%.

C. Change Order #1 & #2, Water Plant Lift Station Improvements, Go Pro Construction, \$19,730.15 and 21 days.

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D. Approval of Contract Maintenance and Street Maintenance Agreement between the Montana Department of Transportation and the City of Billings.

E. Professional Services Contract Extension with JGA Architects-Engineers-Planners for the West Billings Neighborhood Plan, \$19,964.00 for completion of the plan.

F. Contract with Public Defender Management, LLC for public defender services. \$125,000 plus \$1,000 for investigator services, term: 7/1/2000 – 6/30/2001.

G. Acknowledging receipt of petition to annex #00-04: Unplatted portion of the NE1/4 of Section 32, T1N, R25E, containing approximately 20.80 acres, Jim Bromenshenk, Betty Teigen and Jerry Lee Zimmerman, petitioners, Engineering In, agent and setting a public hearing date for 8/14/00.

H. Preliminary approval of Resolution 00-17590 spreading original costs on SID 1342: Eastlake Circle utility and street improvements and setting a public hearing on 8/14/99.

I. Bills and Payroll.

(Action: approval or disapproval of Consent Agenda.)

Mayor Tooley noted that Item A had been added to the agenda after the agenda meeting and asked for a motion to have the item added to the agenda for consideration tonight. Councilmember Bradley moved to Add Item 1A1, seconded by Councilmember Johnson. On a voice vote, the motion was unanimously approved.

Councilmember McDanel separated Item G. Councilmember Bradley separated Item E.

Councilmember Bradley moved for approval of the Consent Agenda except Items E and G, seconded by Councilmember Larson. On a voice vote, the motion was unanimously approved.

Councilmember Bradley moved for approval of Item E, seconded by Councilmember Johnson. Councilmember Bradley noted that Item 6 on the agenda probably needed to be approved before the West Billings Plan could be done. Councilmember Johnson asked about whether or not Planning Department funds should be used for this much-needed plan. He noted several examples of plans completed by other communities and the costs they incurred to complete these plans. He questioned the efforts to “try to eke out a plan for an additional \$20,000”. On a voice vote, the motion was unanimously approved.

Councilmember Bradley moved for approval of item G, seconded by Councilmember Larson. Councilmember McDanel said the city is still lacking a policy on annexation and that in the past, for large parcel annexations, either a development plan or development agreement was required. Councilmember Larson reminded the Council that state law governs annexations – whether or not the city has an annexation policy. Councilmember McDanel replied that for the 2-½ years he has been on the council, the council has acknowledged that the City needs an annexation policy as a guideline for planned growth. On a voice vote, the motion was unanimously approved.

REGULAR AGENDA:

2. PUBLIC HEARING regarding the annual Budget for FY 2000/2001. Final adoption on 8/7/00. (Action: public hearing only)

The public hearing was opened. BILL LAMERES OF 2617 BURLINGTON said his concern goes back two years when the council was soliciting support for the public safety mill levy increase. He reminded

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the council that the voters said 'no' to an increase, but approved a mill levy to maintain existing levels of service. He recommended implementing a formula, strategy or system to analyze the budget requests for public safety that would adhere to the voters' request and not allow any increases in services.

There were no other speakers. The public hearing was closed. Adoption of the final budget is scheduled for a special meeting on Monday, August 7th at 6:00 p.m.

3. PUBLIC HEARING AND SPECIAL REVIEW #675: a special review to allow a change from one nonconforming use (grocery store SIC 5411) to another nonconforming use (bakery SIC 5461) in a Residential-7000 zone on portions of Lots 21-23, Block 26 of West Side Subdivision located at 909 – 4th Street West. James Boslanowitch, owner, Joanie and Lloyd Swords, agents. Zoning Commission recommends conditional approval. (Action: approval or disapproval of Zoning Commission recommendation.)

Zoning Coordinator/Acting Planning Director Jeff Bollman said the subject property is the location of the former Joe's Market. He noted that the zoning regulations allow for a change from one nonconforming use to another nonconforming use, if the new nonconforming use is equally or more appropriate to the zoning district than the previous use. Mr. Bollman noted that he received a letter of support from the Central/Terry Task Force. The conditions recommended by the Zoning Commission were: (1) no seating shall be allowed to accommodate on-site food consumption and (2) cooking ventilation system shall be run and exhausted through the roof. Councilmember Johnson asked what the height of the chimney would be. Mr. Bollman said that was not considered during the Zoning Commission or staff review.

The public hearing was opened. ART KLEIN OF 2137 WYOMING AVENUE said he is a trustee of the Evangelical Church. They support the request.

JOANIE SWORDS OF 413 TERRY said she intends to open a European style bakery in this location. Her main focus will be on wedding cakes and custom desserts – on an appointment only basis at first, usually the building as a production area and consultation site and eventually on a retail basis. Ms. Swords said she contacted the Central/Terry Task Force about her proposal and mailed postcards to the residents of the neighborhood. She was not aware of any opposition.

JIM HARTUNG OF 620 BURLINGTON said he is the chair of the Central/Terry Task Force. He said residents were hoping something would open in that location and are supportive of the proposal.

DICK KLEIN OF 1302 AVENUE D said he is a representative of Professional Management Inc. He noted as a landlord, they have many rentals in that area and one of the biggest problems they encounter is parking. He said this business would be a favorable addition to the neighborhood. Mr. Klein said Ms. Swords has been in business for a number of years and is known for her wedding cakes and desserts. He said this business would not require a lot of parking – even when the retail operation is underway. He urged the council to support the proposal.

There were no other speakers. The public hearing was closed. Councilmember McDermott moved for approval of the Zoning Commission recommendation, seconded by Councilmember Bradley. Councilmember Kennedy thanked Ms. Swords for taking this project on. He noted he has known Ms. Swords for nearly 15 years; she was a successful manager of one of his restaurants and the founder of Poet's Market, a successful venture as well. He encouraged the council to support the proposal. On a voice vote, the motion was unanimously approved.

4. PUBLIC HEARING AND SPECIAL REVIEW #676: a special review to allow the expansion of an existing church building and parking lot in a Residential-9600 zone on Tracts 1 and 2 of C/S 2686 and Tract 1 of C/S 2797 located at 510 Shiloh Road. Barbara and Douglas McGregor, Trustees, International Church of Foursquare, owners and Carl Wolf, agent. Zoning Commission recommends conditional approval. (Action: approval or disapproval of Zoning Commission recommendation.)

Zoning Coordinator/Acting Planning Director Jeff Bollman said this special review is for Faith Chapel.

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This expansion proposal is for an addition to the existing building for a classroom and an expansion of the existing parking lot to the south. He noted that there have been three previous special review approvals on this property – covering various expansions to the church. The DRC felt that the expanded use was generally appropriate at this location with the condition recommended by the Zoning Commission. The condition recommended by the Zoning Commission was that a traffic accessibility study (TAS) be submitted for review and approval by the City Engineer's Office and the property owner provide any mitigating measures identified in the approved TAS at no cost to the City. Mr. Bollman said the DRC recommended this condition because of the proposed expansion, as well as proposed elimination of one existing curb cut on Shiloh Road and the proposed addition of two new curb cuts. The TAS would also look at on-site circulation and explore the need to mitigate any new or existing impacts on Shiloh Road and/or Broadwater Avenue.

The public hearing was opened. KARL WOLF OF 3003 MACONA LANE said he is the Administrator at Faith Chapel and was available to answer any questions. There were no questions for Mr. Wolf.

There were no other speakers. The public hearing was closed. Councilmember McDanel moved for approval of the Zoning Commission recommendation, seconded by Councilmember Larson. Councilmember Johnson asked about the two new curb cuts being proposed and if they were onto Shiloh Road. Mr. Bollman said one new curb cut onto Shiloh would be eliminated and two additional curb cuts onto Shiloh are being proposed. He noted the traffic accessibility study would determine whether these two new curb cuts would be appropriate. Councilmember Johnson asked if the proposed curb cuts are in line with existing streets. Mr. Bollman said the property across Shiloh from Faith Chapel is agricultural with no existing streets to line up with the proposed curb cuts. Councilmember Kennedy said he was glad to see the requirement for the TAS. While it is a wonderful facility, there are times when traffic congestion is bad. Councilmember Larson said there are few options here and one option that no one would like is if traffic is routed into the neighboring residential area. He said Broadwater and Shiloh are the only two options at this time. Councilmember Bradley asked if the church owns all of C/S 2686, Tract 2. Mr. Bollman said he thought they had an option on it. Councilmember Bradley said expansion should be planned to line up with existing intersections and coordinate signalization. On a voice vote, the motion was unanimously approved.

5. PUBLIC HEARING AND RESOLUTION ANNEXING (#00-03): Lot 1, Block 7, Rush Subdivision, 3rd Filing, Richard Dorn, petitioner. Staff recommends delaying public hearing and action until the property is first incorporated into the Urban Planning Area. (Action: approval or disapproval of staff recommendation.)

Zoning Coordinator/Acting Planning Director Jeff Bollman said staff is recommending that the council delay the public hearing and subsequent action on this item. "Unfortunately we realized very late in the game, that this island along Shiloh Road/Colton Boulevard is not inside the Urban Planning Area. One of the requirements for property to be annexed into city limits is that it must be inside the Urban Planning Area. It is in the limited planning area right now. What we are doing is coordinating with the property owner and his consultant to try and bring that entire island into the Urban Planning Area. Once that is done, the council will be able to act on the annexation. But at this point, the Council does not have the authority to act on it because it is not in the Urban Planning Area," he stated.

Councilmember McDermott asked how long the delay would be. Mr. Bollman said it is dependent on how quickly the report from the consultant gets back. He estimated that this item would be before the council the last meeting in August or the first meeting in September. He noted that there is a process that properties go through to be included in the Urban Planning Area. One of the steps includes going to the Planning Board for a recommendation, then to the Council. He noted that the Council would be asked to act on the expansion of the Urban Planning Area to include this property before it acts on the annexation of this property.

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The public hearing was opened. Mayor Tooley said he wanted to make sure a public hearing was held when this item comes back to the council for action. He asked if having a public hearing this evening would preclude that from occurring. City Attorney Brent Brooks said it would not. There were no speakers. The public hearing was closed.

Councilmember Kennedy moved to postpone action to August 28, seconded by Councilmember Bradley. On a voice vote, the motion was unanimously approved.

6. FIRST READING ORDINANCE amending the Billings City Charter to provide for increasing the Mill Levy limits and submitting the proposed amendments to the electors of the City and setting a public hearing date for 8/14/00. Staff recommends approval. (Action: approval or disapproval of ordinance on first reading.)

Councilmember Iverson moved for approval of the version of the ordinance that does not increase the mill levy, but includes the Mayor's proposal to include a formula that would maintain the City's revenue, seconded by Councilmember Ohnstad. Councilmember Larson clarified that the change would be Section 1.05, which proposes to increase the mill levy cap to maintain revenues at existing levels. "If during that period, there is some legislative change, it may actually exceed this schedule. But this schedule is the best estimate of today as to what those mill levy cap increases have to be," stated Councilmember Larson.

City Administrator Dennis Taylor explained that the ordinance presented in the packet was the version that simply raised the mill levy to capture approximately \$1.3 Million that was lost by legislative in the 1999 legislature. It was a straightforward increase in the mill ceilings for the General Fund, the Public Safety mill, the Transit and Library mills – to the level they raised prior to the action in 1999. He further explained that at the agenda meeting, two other proposals were requested by councilmembers. The accompanying ordinances were also prepared for consideration. One would be a simple extension or sunset provision that would have the increase go away to allow sufficient time for alternative revenues or new changes from the state legislature on local option tax to be pursued to some resolve. The other option was to provide for language that would say anytime the legislature changes the valuation or the revenue stream by their action, it would allow the charter (if amended and adopted by the majority of voters in November) to allow the city to capture the money that it currently captures under the mill levy ceiling as of May.

Councilmember Larson asked for a clarification of the proposal on the floor and whether or not it was a four-year proposal or a permanent change to the charter to allow the city to base its budget based on the actions of the legislature. Mayor Tooley said there is no time limit on the proposal in the motion. "The idea is to stabilize revenues so that we can plan appropriately when providing services to the people of Billings. We don't want to increase or decrease the taxes to property owners in the city. What we are trying to do is to stabilize them so that we can come up with reasonable budgets that address the needs of our people. The intention of this is to do away with what we have been facing the past few years – which is either cut or slash services for the City of Billings or amend the charter to allow the mill levy to go up to accommodate the changes the legislature makes. So, every time the multipliers change by the legislature, the City Council feels compelled to bring a charter amendment to the voters of Billings. If you are constantly amending the charter simply to accommodate changes in the multiplier put into effect by the legislature, it's not a good way to do business. The intention of this is to not raise, not lower taxes for property owners, but to provide some stable level of income that we can plan on to form our budget," stated Mayor Tooley.

Mr. Taylor noted that any proposed change to the city charter must be adopted by the council prior to August 24 for it to be placed as a question for the voters to decide in November. This change proposed by the Mayor would be a change that would remain as an automatic authority to raise the mills for any loss by subsequent legislatures. Mayor Tooley reminded the council that the proposal also included a provision for the City to decrease the mills to account for any state reimbursements. "The point is that we are not seeking some back door way to raise taxes for the people of the City of Billings; we are looking at a way to stabilize," he stated.

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Councilmember Kennedy said he felt the spirit of the writers of the City Charter envisioned the City having other forms of revenue. "We have not seen them. I don't think they envisioned these City Councils and Administrations that didn't take home rule seriously, but one time with the hotel/motel tax back in the 80s. I don't think they envisioned a state legislature with an attitude towards cities that we can't govern ourselves. They have hamstrung us, handcuffed us, and shackled us. State government is holding the purse strings for us and giving us things like gambling to make up for the budget shortfalls we've had and not allowing us to share in things like income tax, which they take. We make it, they take it ... I believe the property tax well is drying up and drying up quickly. I want to see more of the sunset provisions brought into this conversation. This will give us two years to create our own revenue streams, which as a home rule city, we should take hold of... In two years from now, we have a relatively new council. That gives them some time to think about different sources of revenue and gives us time about how we want to approach this ... I think just an adjustment in our charter to react to the state legislature is not what the charter writers wanted. We want to capture that \$1.3 Million revenue. I would support going before the voters to let them decide. If they say yes, give us two years to continuing looking for these sources of revenue," he stated.

Councilmember Kennedy made a substitute motion to approve the version of the ordinance which changed the city charter to temporarily increase the mill levies to capture the \$1.3 Million revenue with a sunset effect in FY 2002-2003. Councilmember Johnson seconded the motion.

Mr. Taylor explained that this charter amendment would give the council two additional years to come up with alternative revenues, do budget reductions or be successful with local option taxes or state shared revenues in the 2001 legislature.

Councilmember Larson commented that the sunset provision is attractive in that it puts pressure on the council. "However, I've been sitting in this seat now for five years and when I was sitting out there prior to taking this seat, I heard a presentation by the Alternate Revenue Committee, who had met for a previous year about options we are currently talking about. They came to a whole series of conclusions and came to the council at that time with a presentation that said this is the best route to go. They did all of the work we are doing now and is referred to every now and again. No action was taken on any of those proposals, certainly not the primary one – the right-of-way fee... Outside of accepting their report, no council action on any of the recommendations was taken... Giving ourselves two years to do this means that we get back together next week and we get out act together and move forward much faster than we've moved forward on our annexation policy... Are we going to be sitting here ... two years from now and possibly have to consider having to go out for another mill levy increase because we didn't get our act together. So if we say we are going to sunset this for this search for new revenue, I think we have to look at our history. We have not moved forward because many of us either have personally objected to the alternate revenue sources or we realize there is a substantial roadblock in front of us. We are not the only community looking at these options... This is quite a task. I will say that the idea of going to the voters to actually ask for the original concept is an intriguing concept and I think it will be an incredible challenge to explain it to people and to get them to vote for it. But it begins to frame the argument and reality that we budget in the reality that we operate in," he stated.

Councilmember McDanel said the council is coming back to the "invertebrate management style" – no backbone. Councilmember Iverson's motion provides the council with an opportunity to do nothing because it maintains the status quo. He said Councilmember Kennedy's proposal provides some incentive to do something, even it is to come back in two years and ask for another mill levy increase. "The state basically gave us a tax break on the backs of local governments – in this case, the city. In the same breath that they gave us that tax break, they turned around and gave every community, every local government the privilege to take away that tax break except for those who were granted home rule ... The state also limits our ability to exercise our home rule... Earlier this year we discussed our resolve to search out and find alternative revenue sources. I don't believe that we have done that yet. There are discussions about the complexities of utilizing some of these alternative revenue sources and I think we all recognize that virtually

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every one of them will land us in a legal battle. But I think it's time to get some backbone, to stand up and say 'it's time to do something, even it ends us up in court'. At least we will begin to define what home rule means to us. Perhaps the best thing we could do is ask the citizens of this community to abandon home rule, because then we could raise their mills back up to the level that the state has adjusted. Maybe that's our best alternative. Maybe we need to work with the legislature to get ourselves as a resort community so that we could have some local option taxes. Maybe we need to explore the dreaded right-of-way fees. Maybe pushing the bed tax is still a possibility, even though it looks bleak. ... There's a fire district fee that we've talked about on several occasions that would hit non-profit organizations in our community to make them pay for the fire service they receive on the backs of taxpayers. There are still options out there; we've not explored them. I believe that if we take an option that allows us to do nothing but maintain the status quo, we will never pursue any of these," he stated.

Councilmember Bradley said this whole discussion about home rule reminds him of living on the reservation. "Basically that's what the federal government did to us. They said you have a right to self-determination, then took it away and slapped us in the face. That's exactly what we are doing here. The legislature has done that; the courts have done that. How do you overcome those things? The only way that I know that you overcome that is to do exactly what we are proposing to do – to tag the taxpayer, so they raise hell with the legislature, because the legislature is the one that created this problem. We didn't. We're trying to find a way to solve it and how we do that is up to us. The best way to attack is to come at all angles, because if you don't do that, you don't have a chance of winning. At least if you win one of the fights, then you are ahead of the game. That's what this is all about. We've got a way to do this alternative revenues and what we've been handed – which is what is on the books now... I see this as something that has to be done for the City. We are growing and we are going to continue to grow. This place is probably going to grow like crazy over the next fifteen years. How else do you do it? We can sit up here and talk for hours and hours and debate this issue coming and going. The fact of the matter is that we've gotta move forward with some type of revenues in order to grow this city," he stated.

Councilmember McDermott said normally she would approve going to the voters to ask them whether or not they wanted to increase their mills. "But not this time. This time it is just too easy. It is too easy to keep going back to the voters and asking them over and over again. We need to review alternative forms of revenue and I don't think we have done a really good job of doing that either. We need to make the charter work or do something with it," she stated.

Councilmember Kennedy said he appreciated those comments because he was not sure that he could support going out to the public and asking for an increase in property taxes again. "I want to see if in the spirit of CI-75 and what those charter writers told us ... is give it a shot. We have a shrinking percentage of the total tax dollar in this community; the county and school district are taking more. They are not going to go away either... That's why I thought ... we should give Mr. Taylor a chance, give us two years, let him earn his money, let him show us the way or let us show him the way... I think given the two years to scramble is fair," he stated.

Mayor Tooley said the council is not proposing any increase in property tax; only proposing to stabilize the amount of revenue that comes in from the property tax mill levy. "A number of the alternative revenues that we are pursuing have been specifically taken away by the Montana Legislature. So, we can talk about implementing these forms of alternative revenue, if we wish, ... but in order to actually implement some of our ideas, we need to get the Montana Legislature to agree with us and rescind the legislation already in place that has prevented us from imposing these alternative revenues anyway. The law must be changed first. There is no assurance that the entire Montana Legislature will go along with us. So, if we fail in lifting these restrictions on alternative revenues, then we will find ourselves in the position of this fiscal year of being approximately \$2.2 Million behind where we are now with our General Fund. If you divide the salaries of firefighters and police officers into \$2.2 Million, you are going to find that represents approximately 55 employees or about 27.50 employees in each dept. The Police Dept is currently at 121 uniformed officers

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and we are in the bottom 10% of terms of ratio of police officers to citizens. We are approximately 90-100 officers behind the average city in the country. To further reduce the number of officers would be a very damaging thing to this community. So, in order to avoid that, I'm very strongly in favor of providing some formula ... to stabilize revenue and continue to do whatever we can to implement alternative revenues in the City of Billings."

Councilmember Larson said we are facing a difficult situation and "are one of the few if not the only major community in Montana that is trying to operate off of this home rule concept. While the legislature says you have the right to go out and do this and do that or use these different mechanisms, unless they are specifically taken away from you by law. Virtually everything we've ever thought of has been eliminated. So, in fact, we don't have home rule. As it exists right now, we effectively do not have home rule when it comes to our finances. I very much agree with trying to push that and prove beyond a shadow of a doubt that we do not have home rule... In terms of backbone, it wouldn't take a lot of backbone to just sent Brent out to do battle with the various constituencies, while we sit back and say we are doing our job. I don't think that is necessarily a lot of backbone. It's very difficult for me, without having the voters engaged in the process, to say that I am willing to begin to cut cops, cut park administrators, cut fire dept, cut all of those things. I got a letter today talking about how shameful it was that we underpay our police dept so much when they are out risking their lives for us. We recently negotiated a contract with them that we can't pay for, unless something happens. The fact of the matter is we told them 'we'll give you raises and we will respond to your demands'. Our negotiating team did that on the belief that we were going to go to the voters and ask for more money. If we fail to do that, we will turn around and have to fire a bunch of these guys. That's one alternative. To go forward on the assumption that we are going to get any of this revenue in hand in time to bail us out of the problem the mayor just discussed – the \$2.2 Million that we are short this next fiscal year, I think is highly optimistic. If we were to be extremely aggressive, even if we were to be overwhelmingly aggressive and come out next week with a proposal for one of these sources, even to put the mechanism in place to collect the revenue by that time, would be virtually impossible. Mr. Kennedy's proposal of a 2-year sunset provision at least gives us a place where we can begin to compromise and going forward, but only giving ourselves two years. You have to remember that we not only have to go through the mechanism of getting whatever fund set up, figure it out to administer it, then we have to collect that revenue and get that revenue into our budget. Just that alone is fairly time consuming... It's not a quick fix to create one of these. So, the idea that the alternate revenue is going to come together by next year is a virtual impossibility. I would urge those who are inclined to be very aggressive in that approach that we at least look at Mr. Kennedy's option of giving two years just to work through some of the practical matters beyond working through the legal issues that we will have to deal with. We won't have a shot at our legislative delegation until January —March of 2001. That alone is something that will take quite a bit of time to work through. Even if they change the law at that time, for us to be able to respond to that will be beyond the time when we hit our next budget," he stated.

Councilmember Iverson said because of the changes in the legislature, "we are shorted \$2 Million. After our next budget we will without that. The legislature even realized what they did and gave us that money because they knew they'd taken it from us. We will have to have some other source. My motion is simply maintaining the property taxes as they are now."

Councilmember Johnson noted that many officials are speaking in favor of local option taxes. He said he supported Councilmember Kennedy's proposal.

Councilmember Kennedy reminded the council that this proposal still needs to go to the vote of the public. Councilmember McDermott also reminded the council that this year taxpayers would be paying for park bonds, a 5-mill levy increase in public safety, and the Planning Dept has asked for a 2-mill increase. "I believe there is about a 12% increase in street maintenance fees that we will be asked to approve. We're not nickel and diming our property owners; we are twenty-dollaring them to death. None of these account for very much money, but they are all twenty or thirty dollars or five dollars. And when you start counting them all up, we're really putting an added burden on the backs of the property owners. I think it is so imperative that

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we find other sources of revenue. We are supposed to have it at our fingertips with this charter form of government with its home rule. Let us do something with it. If we keep putting it off ... in two years we'll be sitting back here in the same situation. Let's get started now," she urged.

Mayor Tooley said, "if we are extremely successful in pursuing alternative revenues, if our strategy works and if we are able to rescind certain legislation and allow ourselves to move forward with finding alternative revenues, we're still not going to have the money before the next fiscal year and we will have to make drastic cuts in our budget in order to have a balanced budget. We will have to lay off dozens of employees. If we find ourselves in that position and if the people of Billings say 'wasn't there something you could do to have avoided this catastrophe' and if I have to say 'no', I will be very embarrassed and feel that I have not done my job as an elected official in this city. That's why I am so strongly in favor of amending the charter to allow us to stabilize the revenue, not increase or decrease taxes, but stabilize them," he stated.

Councilmember Iverson said even those who support the amendment are very much in support of alternate sources of revenue. "I would be thrilled if we could have other sources of revenue. Just because we are in favor of this, we are not going to sit back and think that nothing else has to be done. I feel very strongly that we have to look at alternate sources. This is not going to be an answer; this is going to just make things right for when we lose our \$2 Million," she stated.

With discussion complete, Mayor Tooley called for a roll call vote. The substitute motion was approved 5-4. Councilmembers voting "yes" were: Bradley, McDanel, Kennedy, Johnson and Larson. Councilmembers voting "no" were: McDermott, Tooley, Iverson and Ohnstad.

ADJOURN – With all business complete, Mayor Tooley adjourned the meeting at 9:05 p.m.

THE CITY OF BILLINGS:

BY: _____
Charles F. Tooley MAYOR

ATTEST:

BY: _____
Marita Herold, CMC/AE City Clerk