

City Council Work Session

March 1, 2010
5:30 PM
Council Chambers

ATTENDANCE:

Mayor/Council (please check) X Hanel, Ronquillo, X Gaghen, X Cimmino, X Pitman, X McFadden, X Ruegamer, X Ulledalen, X McCall, X Astle, X Clark.

ADJOURN TIME: 7:55 (Adjourn to Executive Session)

Agenda

TOPIC #1	Public Comment
PRESENTER	
NOTES/OUTCOME	

- **Joe White, Billings, MT**, referred to a previous meeting when the Fire Chief spoke about explosions in the Stillwater area and said the explosions were places where spaceships landed. *The remainder of Mr. White's testimony was inaudible.*

TOPIC #2	Energy Commission 3-Year Historical Report
PRESENTER	
NOTES/OUTCOME	

Bob Merchant, Chair of the Energy and Conservation Commission, distributed the Commission's written report. He said the report did not include the coming year's projects and explained that the main concentrations would be the Energy Star implementation, recycling, and sorting out the legal and practical aspects of LED lighting.

Councilmember Ulledalen asked if the Commission knew how much energy had been saved over the past three years. Mr. Merchant explained that that information was not available, but it was part of the mission of the Energy Star program. Mayor Hanel commented that the report was very well-prepared and contained helpful detail.

Councilmember Ulledalen stated that the commission had tried to set policy when it was supposed to function as an advisory committee, and because of that, he did not know if he could vote to continue it after the sunset date. Mr. Merchant responded that the comment was valid because the committee had struggled with its role, but viewed itself as an advisory committee. He said they would like input from the Council about what to pursue and how to maintain the advisory role.

The public comment period for the item was opened. There were no speakers, and the public comment period was closed.

TOPIC #3	<i>Museum of the Yellowstone</i>
PRESENTER	
NOTES/OUTCOME	

Mr. Maurice Devereaux advised that he was also representing Duane Devereaux who also served as an advisor on the project. He said an issue had come up about whether the land could be used for anything other than a park, and referred to the letter of intent for the ground lease and purchase of the property. Mayor Hanel explained that there were two deeds for the land in question that could require the land to remain as a park as long as the City owned it. Ms. Volek added that the information was just discovered that afternoon. She explained that the second of two parcels was given to the City in 1938, which could restrict the use and may require the land to remain in the City’s ownership. She advised that the proposal was reviewed that morning by staff, and a couple of issues needed clarity, such as who was responsible for utility extensions; the existing building used for road maintenance; and that the land to be transferred to the museum may have restrictions. She said that the information would be brought back to the Council as soon as those questions were addressed.

Councilmember Ruegamer asked for clarity about whether Ms. Volek was referring to the land that would be leased or the land that would be purchased. Mr. Volek explained that there were two parcels of land; one held by the Parks Department and a larger piece held by the Public Works Department. Mr. Devereaux advised that it was his understanding that the leased property that was intended for the museum would always be leased and the other parcel would be purchased for the hotel/vacation spot. Mr. Devereaux confirmed that the 55 acres would be purchased for \$600,000 and the 10 acres would be leased for 99 years for the museum. He added that after the land was developed, the pieces of property were contingent on each other. He said the income from the property would support the museum.

Councilmember McCall suggested clarification that the 55 acres were adjacent to Swords Park, as indicated in the 3rd paragraph of the letter. Ms. Volek advised that the property was used as a staging area by Public Works. Councilmember McCall stated she thought it was a good proposal, and wanted to make sure that the museum, park and trails were all coordinated.

Councilmember Ulledalen stated it was contingent on financing. Mr. Devereaux advised that they were funding a study to determine if it was feasible. He stated that even though the economy was weak, investors were still interested. He said projects like that usually became a taxpayer burden, but that was something they were trying to stop. He said it was an ideal site for the project. Mr. Devereaux commented that there may be a way to work out the issue of utilities. Ms. Volek announced that staff would continue to work with Mr. Devereaux and as soon as the information about the boundaries was available, a final report would be presented to Council.

The public comment period for the item was opened.

- **John Brewer, Chamber of Commerce and Visitor’s Bureau**, stated that approximately 63 people were currently working on a trails project to connect about 30 miles around the community. He said most of the current efforts were concentrated on the Swords Park area and suggested caution with commercial development of the area.

Councilmember McFadden asked what could be a conflict. Mr. Brewer said he could not answer that without seeing a diagram or drawings of the project. He noted he would like to have that type of conversation. Councilmember Ulledalen commented that

that project had potential but was also costly and it was difficult to determine how much energy and staff time to devote to it. Mr. Brewer stated that it had potential to draw people, but the City needed to be careful with development. Ms. Volek added that the Western Heritage Center was also looking at an interpretive center and she felt it would be wise to get all the groups together.

- **Joe White, Billings, MT**, stated that he supported the museum and did not consider it a competitive industry.

There were no other speakers and the public comment period for that item was closed.

TOPIC #4	CIP/ERP/TRP
PRESENTER	
NOTES/OUTCOME	

Park Planner Mark Jarvis presented the Capital Improvement Program report that included proposed capital expenditures for FY2011-FY2015. He reviewed the format of the document that included the project listings, proposed funding sources, multi-year funding, and all projects by department. He pointed out that the FY2011 proposed project summary totaled \$73, 252,014.

Councilmember Ruegamer asked for clarification of who could put items in the CIP because there were times when Councilmembers were asked to add items. Ms. Volek explained that some departments had CIPs very carefully scheduled and funded, while other departments were more flexible. She added that Councilmembers could make suggestions and efforts would be made to work them into the proposals. Councilmember Clark commented that Council had moved items in the past.

Councilmember Pitman asked if the information was available on the City's website. Ms. Volek said it could be added.

Councilmember Ulledalen asked if there was any discussion about which expenses were mission critical. Ms. Volek advised that discussion would be held as budgets were developed.

Councilmember Gaghen stated that it was put together to be understandable and readable.

Councilmember Clark noted that some of the projects were financed by savings or reserves that had been set aside for years for those projects.

Police Captain John Bedford presented the Equipment Replacement Plan. He announced that his PowerPoint presentation was not working so he would email the information to Council. He reviewed the ERP Committee membership and the objective of the ERP. He said the plan was a long-term effort to spread out the cost of equipment replacement. He explained the criteria for vehicle replacement and the vehicle replacements or transfers included in the plan. Captain Bedford said the total equipment replacements and associated supplemental budget requests for FY2011 totaled \$5,200,000.

Councilmember McCall asked for examples of equipment that could be transferred and how they made sure everything was reviewed for transfer. Captain Bedford explained that the department heads had ongoing discussion even prior to the start of the process, so departments were aware of what was available and what was needed. He provided examples of planned transfers. Mayor Hanel asked if the committee was confident with the financial projections for vehicle replacements because the costs did not increase much from year to year. Captain

Bedford responded that they were pretty sure, but the projections were done by individuals more knowledgeable about the money.

Councilmember Pitman asked what was planned when production of the Crown Victoria ended since the City had several of those models. Captain Bedford explained that there would be other options and there was some equipment that fit the Crown Victoria.

Ms. Volek commented that the three plans were the work of employees from each department and their work should be lauded.

Information Technology Manager David Watterson presented the Technology Replacement Plan. He explained that the plan was intended to manage the City's technology. He reviewed the FY2011 plan recommendations that totaled \$774,492, and explained that the radio system was included as an unfunded project at a cost of \$8 million.

Mayor Hanel asked if equipment was recycled within the City or with other agencies or companies. Mr. Watterson advised there was some internal recycling, but they had not gone outside the City other than what was offered at the auction.

Councilmember Ulledalen said the constrained bandwidth was an issue with the radio system. He asked if public safety and solid waste had to be on the same radio system and if there was an alternative that might make that \$8 million number smaller. Fire Chief Paul Dextras explained the importance of being able to communicate effectively on disaster recovery. He said he felt it was being able to match available funds to either Plan A or Plan B. Councilmember Ulledalen related that former Councilmember Brewster had told him that some systems were purchased and then did not work as advertised. Chief Dextras explained that they were relying on experts to make sure they did not make a big mistake. He added that the radio technology life cycle was about 8-10 years, and incremental upgrades were made as possible.

Councilmember Ulledalen asked if the City would get locked into using one vendor for the equipment. Chief Dextras said he did not think that would happen because the products were available from many vendors.

Councilmember Clark asked if the 800 MHZ equipment could be used with the new system. Mr. Watterson explained that it could not. He said the City had waited as long as possible to replace them, but radios had been needed for two to three years now. He noted that the re-banding agreement had not come through and the funding was not in place, so the City found itself between a rock and a hard place. He said if the money was not spent, inoperability would occur. Councilmember Ulledalen asked about a drop-dead date. Chief Dextras advised that it was not set in stone yet, that it was originally 2013. Mr. Watterson explained that the City requalified for rebanding because the radios were not capable of working on the frequency that was newly established. He said he thought the date related more to the infrastructure. Councilmember Clark noted that the biggest problem was interoperability. Chief Dextras agreed and said the most economical approach was to move to the VHF frequency.

The public comment period for that item was opened. There were no speakers, and the public comment period was closed.

TOPIC #5	<i>Neighborhood Stabilization Program</i>
PRESENTER	
NOTES/OUTCOME	

Community Services Manager Brenda Beckett provided history and explanation of the Neighborhood Stabilization Program that included a stimulus funding program for housing rehabilitation of foreclosed homes. She explained the process and timelines involved with purchase of a foreclosed property and explained the need to give authority to the City Administrator to act quickly to execute paperwork to close on foreclosed properties. Ms. Beckett advised that properties had to be under contract by September, and expenditures had to be made by March 2013.

Ms. Beckett reviewed foreclosure information for the Billings area. She advised there were over 70 first-time homebuyers approved to purchase the homes that would be rehabilitated.

Ms. Beckett advised that the request to provide authority to the City Administrator would be on the March 22 Council agenda.

Councilmember Ulledalen stated that the Billings housing market had been strong and if one of those properties went on the market, it was possible that it did not stay there long. He asked what would happen to the property if the City was not involved in the process. Ms. Beckett explained that an organization was needed to facilitate the process. She said neighborhoods could benefit from rehab efforts. She added that she had never been as concerned about foreclosures as she was now because she did not think it had fully manifested itself yet.

Ms. Beckett advised that program income would be gained from those properties after they were sold and that could create a pool to purchase other houses.

Councilmember Pitman asked Ms. Volek if she had time for that. Ms. Volek explained that it was signature authority only, and Ms. Beckett’s staff would complete a majority of the work. Councilmember Gaghen asked Ms. Beckett if the staff could handle it. Ms. Beckett responded that they could, but would not take on too many houses.

The public comment period for that item was opened. There were no speakers, and the public comment period was closed.

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

Ms. Volek advised that budget and initiative reports were provided in the Friday Packet and she could answer any questions. She said if agreeable, completed initiatives would be deleted from the list before it was distributed again.

Ms. Volek explained that during the contract negotiations with the Police Union, it was brought up that there had been specialty areas when appropriate overtime had not been paid according to labor standards. She said the item was researched further and corrected for the current budget year, and the funds that should have been paid over a two-year period would be paid to the affected individuals with the March 26 payroll. She noted that each department affected had sufficient funds to cover that expense, and if budget amendments were needed, they would be presented later in the year.

Steve Wahrlich, President of Downtown Billings Partnership and President of the Business Improvement District reviewed accomplishments of the Partnership and noted there was more to do. He mentioned continuation of the safety zone and the downtown lighting

projects that would provide a tremendous impact. Mr. Wahrlich stated that another accomplishment was the formation of the first Tourism Business Improvement District. He noted there were now eight in the State, and two more under consideration.

Greg Krueger, Development Director of the Downtown Alliance, presented a report on the N. 27th Street Tax Increment District. He stated that it had stabilized the tax base in the downtown area and the old tax increment district. He reviewed projections for increment growth, but cautioned that was at the mercy of the Department of Revenue regarding property values. Mr. Krueger reported there was new street level activity downtown and vacancies were being filled. He said the same projects should be continued in FY2011, along with consideration of a major relighting program. He explained the financing options of bonds or an SID. Mr. Krueger mentioned that other ideas were for a street level playground and alleyscaping to allow pedestrian traffic. He reviewed the proposed FY2011 revenue and project income.

Lisa Harmon, Executive Director of Business Improvement District and Executive Director of Downtown Business Association reviewed the BID clean and safe zone and the proposed expansion in FY2012 to the east and south. She said 60% of property owners had to agree to the expansion, and support was received from 60.5% of the property owners, with less than one quarter of a percent opposed to the expansion. She said the cost was \$150 per year for properties less than 33,000 square feet. She reviewed the public information process followed regarding the proposed expansion, and noted that Yellowstone County Treasurer, Max Lennington approved the proposed assessment method. Ms. Harmon stated that crime had fallen downtown which was evident that the community embraced the downtown officer, and she added that the fear of crime had been reduced. She requested acceptance of the expansion and said she would present a resolution of intent to expand the zone. Councilmember Clark asked if everyone within the zone had to pay if only 60% of property owners signed. Ms. Harmon advised that they did.

Councilmember McCall asked for reasons for protests to the expansion. Ms. Harmon said a majority of the people supported the program, but the cost was a hardship for some. Mr. Krueger pointed out that even though a formal mailing was sent, property owners would be notified when a public hearing was set and there could be additional public comment. Ms. Harmon advised that the protests were received from four property owners.

Councilmember Clark asked how the cost of the new lighting district would cost more than the old one. Mr. Krueger explained that it was misleading – that the SID increased the cost until it was paid off, and at that time, the cost would go down.

Mayor Hanel complimented Mr. Krueger, Ms. Harmon, and Mr. Wahrlich for the work that went on downtown. Mr. Krueger recognized the boards and their members.

Councilmember McFadden asked if alleyscaping could include entry doors, seating, etc. Mr. Krueger explained the encroachment requirements. Councilmember Ulledalen commented that there was a need for friendly space for outdoor food and activities. He said he liked the idea of having a park space.

Councilmember Ulledalen suggested contacting underwriters about selling \$1.5 million in bonds before assuming it could be done. Mr. Krueger advised that there was talk of selling SID bonds with the opportunity call them and pay them off when tax increment district bonds were sold.

Ms. Volek reported there was no further update on the strategic plan from the last work session. She added that she would be meeting with Chamber and BSEDA staff to identify potential dates for joint strategic planning sessions.

Ms. Volek advised that a litigation update session was needed at the end of the work session.

Ms. Volek reported that she received a request from the entity restoring the Audubon Education Center for a letter of support to the Federal delegation for its appropriation request. She explained that the project could compete with the City's appropriation request. She advised that the group needed to know right away, so she needed Council's guidance. It was Council consensus that even though it was a worthwhile project, it could only be supported if it did not jeopardize the City's request.

The public comment period for that item was opened. There were no speakers, and the public comment period was closed.

Additional Information:

Councilmember Ulledalen mentioned that he thought it made sense to make a strategic planning presentation to the Planning Board.

Councilmember Pitman advised that he had been told that the TV audience still had trouble hearing the speakers and suggested Council make sure to speak into the microphone.

The Council adjourned to Executive Session for a litigation update.