

City Council Work Session

June 7, 2010
5:30 PM
Council Chambers

ATTENDANCE:

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

ADJOURN TIME: 8:15 p.m.

Agenda

TOPIC #1	<i>Aviation And Transit Budget</i>
PRESENTER	
NOTES/OUTCOME	

Aviation and Transit Director Tom Binford provided an overview of MET ridership which had been down since 2007, but was on the rise. He commented that funding was a problem for most public transportation systems. He noted that the MET budget was okay for the coming year, but long term challenges were in Federal and State operating support. He advised that even if Federal dollars were not cut, but stagnate, local resources may not keep pace with costs to make up the difference. Mr. Binford stated that Federal capital decreases would have a similar effect.

Mr. Binford reviewed the airport's ten-year enplanement history and advised that enplanements were down since 2008, but the worst seemed to be behind them. He stated that for the first quarter of 2010, enplanements were up 2.5%, and were expected to be pretty flat in the near future. He reported that non-airline revenue sources were up over 15 years, and were now about 70% of the total revenue. Mr. Binford commented that landing fees were flat over past years, which encouraged the airlines to continue service to Billings. Mr. Binford reported that the Quick Turnaround Facility was under design and the project was on track to start construction later in the summer. He said the next project would be long term parking needs.

Ms. Volek asked Mr. Binford to review the services MET would provide for the next day's primary election. Mr. Binford explained the routes and said it mirrored the Montana Fair bus service.

Assistant Aviation Director Kevin Ploehn stated he would review the Airport budget numbers. He reviewed the four groups of operating revenues. He pointed out that there had been quite a jump in the revenues, which was due to underestimating in FY 2009 and FY 2010, so it appeared there was a significant increase in FY2011. He advised that expenses were pretty flat, and now included operational maintenance costs for the quick turnaround facility.

Mr. Ploehn reviewed the capital revenue and proposed capital projects. He explained the two runway projects and how the projects would proceed so runways were not closed for extended periods of time.

Mr. Ploehn reviewed projects funded by the Passenger Facility Charge which included some land purchases on the west end of the airport. He advised that the car rental Customer Facility Charge would help with long term parking funding. He reviewed other local capital projects which included long-term parking study, and terminal drive pavement, along with some equipment and compliance issues. He advised that \$1million of cash reserves would be used for the \$16 million budget.

Councilmember Cimmino asked about the size of the property west of the airport. Mr. Ploehn advised it was 60 acres, and explained the process it would have to go through.

Councilmember Gaghen asked if the new partnership with United Airlines and Continental Airlines would provide more opportunities. Mr. Ploehn advised that he did not think Continental would be in Billings, but there could be better connections with Denver.

Ms. Volek asked how much would be in the reserves after using the \$1 million for FY2011. Mr. Ploehn said that depended on how well they did next year.

Mr. Ploehn reviewed the MET budget. He said revenues were down mostly due to FTA capital grants and rider fares. He reviewed operating and maintenance expenses that were about the same as the previous year, with some extra expense in bus parts. He added that another increase was property insurance costs with the MET Transfer Center. He reviewed the capital expenditures that included building improvements and paratransit vans. He said the budget projected adding \$300,000 to reserves, which was good because capital expenditures were expected in future years.

Councilmember Clark asked what MET reserves were. Mr. Ploehn said they should be at \$1.2 million after the current year.

Councilmember Ruegamer commended Mr. Ploehn for his presentation.

Councilmember Cimmino asked which buildings would be improved. Mr. Ploehn advised they were at the MET facility on Monad Road.

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

TOPIC #2	<i>Planning Budget</i>
PRESENTER	
NOTES/OUTCOME	

Planning and Community Services Director Candi Beaudry explained the operations of the four divisions within the Planning and Community Services Department, and introduced the managers, Brenda Beckett, Kim Palmeri, Wyeth Friday, and Nicole Cromwell. Ms. Beaudry advised that the correct number of employees was 30.5 FTE, not 31.5 as reflected in the organization chart included in her presentation.

Ms. Beaudry provided a detailed overview of the operations of the Building Division, Code Enforcement Division and Community Development Division. She pointed out that although Ms. Cromwell supervised the Code Enforcement Division, and she directed it, their salaries were not paid through Code Enforcement, but were subsidized by the Planning Division. Ms. Beaudry advised that Community Development received federal funds for the two primary programs of that division.

Ms. Beaudry provided a detailed description of the activities and operation of the Planning Division. She said the lower developer activity reduced the money for long-term

planning, which reduced the quality of development. She advised that the County Commissioners would be asked to put a one-mill levy increase on the November ballot. Ms. Beaudry reviewed FY2010 achievements for each division.

Ms. Beaudry reviewed the overall revenue sources for FY2011. She pointed out that about 58% came from federal grants, and explained the remaining revenue sources. She noted that Community Development revenue had increased mainly due to stimulus funds, while revenues for Building were flat from FY2009. She reviewed the overall expenditures and said the shortfall would come from reserves. She advised that reserve levels for Planning and Building Divisions would be less than the recommended level and would be lower next year than in FY2007. She said a budget amendment may be presented early in the next fiscal year. Mayor Hanel asked about funds that had been left on the table in federal grants that could not be utilized. Ms. Beaudry advised that about \$400,000 had been left in the past two years due to the inability to provide the required match.

Ms. Beaudry reviewed the FY2011 Work Plan and the guiding documents used to develop it. She explained the new code enforcement program, Neighborhood TUNE-UP, designed to identify and assist entire neighborhoods that needed cleanup. She explained new revenue sources for FY2011, which included the planning mill levy increase. She reviewed supplemental budget requests that were approved and denied.

Councilmember Ulledalen asked about a code enforcement charge added to the civil infractions. Ms. Beaudry explained that they were trying to get a portion of the infraction money into an abatement fund. Councilmember Ulledalen commented that the medical marijuana issue could result in additional work for the code enforcement area and wondered if a different license fee should be adopted. Ms. Beaudry advised that staff was looking at that option and it depended on what Council adopted.

Councilmember Pitman advised that he had heard numerous complaints about the Building and Planning counter being closed during the lunch hour. Ms. Beaudry explained that it could not be opened because there was no coverage for sick or vacation time, so the decision was made to close it full-time rather than having it open most of the time and closed on occasion.

Councilmember Ulledalen asked about options if the planning levy did not pass. Ms. Beaudry explained that layoffs would be the last resort and other options were considered. She said layoffs were not desired because the division might not be able to gear up quickly enough when the building picked up again. Councilmember Ulledalen commented that he thought the recession would be in place for awhile and there was not a lot of land available for development.

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

TOPIC #3	<i>Tourism Business Improvement District Presentation</i>
PRESENTER	
NOTES/OUTCOME	

Billings Chamber of Commerce/Convention and Visitors Bureau President John Brewer reviewed the mission, tasks, revenues, and expenses of the Tourism Business Improvement District. He reviewed detailed activities and expenses of various budget components, and spoke

about activities that would be emphasized in the next year. He reviewed future goals in room nights, customer satisfaction, and visitor numbers.

Councilmember Gaghen asked if the recent problems Custer Country encountered had an impact on the TIBD. Mr. Brewer advised that it would impact hoteliers because they passed funds along to that group and it was uncertain how the funds would be spent.

Councilmember Gaghen asked Mr. Brewer to explain the advertising term “shoulder season.”

Councilmember McFadden asked for an example of promotion of an event. Mr. Brewer advised that it depended on the number of room nights generated by the event, but provided examples of promotional activities.

(Councilmember Astle left the meeting at 7:15 p.m.)

Councilmember McCall commented that the Chamber was doing a terrific job with the TBID. She asked which marketing groups the Chamber worked with on the marketing. Mr. Brewer advised that the marketing group involved was Advertising Design. Mayor Hanel stated he agreed with Councilmember McCall’s assessment.

Councilmember Ruegamer advised that the Montana League of Cities and Towns Conference would be in Billings in 2011. Mr. Brewer stated that the red carpet would be rolled out similar to what had been done for the regional County Commissioner’s conference.

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

TOPIC #4	<i>Downtown Business Improvement District</i>
PRESENTER	
NOTES/OUTCOME	

Executive Director of Downtown Billings Association, Lisa Harmon, referred to handouts that highlighted downtown activities. She reviewed the Clean and Safe mission statement, and explained the expansion of the safety program that was scheduled for Council action June 14. Ms. Harmon described the Business Watch Program, which was similar to a neighborhood watch, and the Spare Change for Real Change programs. She said a \$5,000 grant would be available to alleviate homelessness.

Ms. Harmon reviewed the projected assessment and contract revenue, along with expenses incurred during FY2010, and the projected income and expenses for FY2011.

Ms. Harmon spoke about partnerships with the City of Billings and other organizations.

(Councilmember Ruegamer left the meeting at 7:30 p.m.)

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

Ms. Volek advised that the evening’s budget presentations were the final ones prior to the budget being presented for action. She asked if there were questions that had not been answered or requested changes. Councilmember Clark asked if there would be budget amendments after

agreements were reached on the union contracts. Ms. Volek explained that budget amendments would be made as necessary. She noted that the budget was settled for the Police union and the non-bargaining groups. Councilmember Cimmino asked when the contracts would be settled. Ms. Volek explained that the groups met regularly and one was near settlement.

TOPIC #5	<i>CITY POOL PASSES</i>
PRESENTER	
NOTES/OUTCOME	

Ms. Volek referred to two charts placed at council desks regarding fee reductions used in the past and a summary of pool passes issued last year. She expressed concern about that lost revenue because the donated passes exceeded the income generated from paid passes. She noted that the Parks Department was frugal with funding and expenses. She added that the program was not fully advertised, so it was possible that families that qualified were not utilizing the opportunity. Ms. Volek recommended continuing the child passes, but not the adult passes. Parks, Recreation and Public Lands Director Mike Whitaker explained the rationale for issuing adult passes for children in certain age groups. He noted that the wading pools and spray parks were free.

Councilmember Ronquillo asked about the bigger wading pool at South Park that would be used now that the smaller one was gone. He added that additional amenities had been lost at South Park. Ms. Volek explained there were \$9 million in unfunded repair/replacement projects in the City parks, and she did not disagree that improvements were not being made as needed. Councilmember Ronquillo referred to \$175,000 of funds that should be available from the Hansers land sale and another land sale on Southgate Drive.

Councilmember Pitman suggested asking more people for donations to support the pool pass program. He agreed that the number of passes could be limited, but did not agree with eliminating all of them. Councilmember McFadden suggested giving more credit to the companies that donated.

Councilmember Ulledalen suggested sending the issue back to the Parks Board. It was Council consensus that the program would remain the same for the current year, but work should begin on a recommendation for future years.

Councilmember McCall asked about the development of Rush Park and said she would like the department to present a plan by the next work session. Ms. Volek explained that a survey would be distributed to the neighborhood because there was such difference in the neighborhood's wishes for development. Councilmember McCall stated she also wanted to see a finalized format of the parkland available for sale. Ms. Volek advised it was scheduled to be presented in October.

Councilmember Ulledalen commented that he thought the idea was for minimal development at Rush Park. He said the whole thing was a mess and it needed to be determined which properties could be obligated to pay and then move forward. He said he was aghast that the project had not gotten any further.

Councilmember McFadden asked if land sale funds could be used for park improvements. Ms. Volek said it could be done, but it also depended on the original acquisition of the land.

TOPIC #6	<i>Public Comment</i>
PRESENTER	
NOTES/OUTCOME	

- **Mark Higgins, 814 Ahoy**, suggested considering a limit on the number of medical marijuana caregivers. He stated the Ad Hoc committee needed to focus on the task at hand, which was zoning issues. He said the meetings were not very productive and felt there was a way to address the concerns of the people that kept attending the meetings. He said he felt it was irresponsible to not resolve the issues, and there should be a better way to do that. He advised he was willing to develop a system to help support and fund a way to monitor the situation.

Councilmember Pitman explained that the committee had accomplished the moratorium, and was studying new zoning proposals. He advised the ad hoc committee would not meet that week so that staff could prepare for the June 17 meeting. He stated that details would be produced for presentation to the Council.

Councilmember McFadden asked if Magic City Meds on Grand Avenue was legally operating. Mr. Brooks and Ms. Volek advised they would check on it. Mr. Brooks added that the business was temporarily grandfathered with the moratorium.

Additional Information:
