

City Council Work Session

5:30 PM
Council Chambers
October 3, 2011

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: 6:50 p.m.

Agenda

TOPIC #1	Business Development Incentives
PRESENTER	Jeremy Vannatta, Bruce McCandless, Brandon Berger
NOTES/OUTCOME	

- Jeremy Vannatta: BSEDA background and BSEDC background. BSEDA programs for business expansion, recruitment and retention.
- Bruce McCandless: tax abatement programs that Council considers, 15-24-1401 and 15-24-1501 MCA. Explains authority, process and effects of tax abatement program.
- Brandon Berger: results from tax abatements; All American Pharmaceuticals (5 year program) and Home Science Tools (10 year program). Since 2001 35 tax abatements have been approved. Have helped create or retain 4,800 jobs including new and existing. Approximately \$23/hr average wage for jobs created by the program. BSEDA facilitates the program only.
- Public comments:
- Joe White, 926 N. 30th: business incentives impact governments, should grant them to wife Jackie Brockel, claim against the city. City needs to build trust among businesses downtown.
- Kevin Nelson, 4235 Bruce Avenue: why does the new car dealership at Shiloh and King deserve a tax abatement? How do they qualify?
- Ruegamer: They are not based on need; they are based on parameters that state law and city set.
- Jeremy: Council is decision maker; BSEDA just processes the application and submits it. Working with a new distributor that may come, in part because of the tax abatement program. We lag behind other states who are recruiting, so need to keep this tax abatement program. Vital tool in business recruitment.
- Clark: other areas have more money to work with and they have sales taxes.
- Ulledalen: property taxes are higher here and workers comp has been too, so abatement of property taxes is important.

TOPIC #2	Subdivision Requirements
PRESENTER	Juliet Spalding
NOTES/OUTCOME	

- Wyeth Friday – introduces Steve Zeier as TIF coordinator.
- Cimmino: aren't you writing the TIGER grant application?
- Steve Zeier: I was, but passed off to Patty Nordlund and it's still on track.
- Juliet Spalding: changes are mostly in response to state law changes; most in 2011 but a few in 2009 that were never implemented locally. Reviews the schedule for preparation and review with stakeholders. Planning Board hearing last month and making its recommendation to the Council. On the Council agenda on October 11. Six (6) legislative bills require the changes. HB 460 changes the unit ownership law to recognize townhomes as land division. SB 298 changes urban wild land fire interface area usage as review criteria. HB 522 extends the preliminary plat approval period. HB 403 affects protection of open space in cluster developments. SB 305 allows a longer review period for major subdivisions. Probably won't use the extra time, but it's allowed. HB 486 amends lots of procedural changes. Recommended change from the International Fire Code specifically allows fire access roads.
- Gaghen: preliminary plat time extension cause any problems?
- Juliet: no
- Public comments:
- Denise Smith, 1645 Avenue D, CEO Homebuilders Association. HBA thanks Juliet for meeting with our builders. Thanks to staff for making changes that we requested. A more extensive review of the regulations may occur in the future and we volunteer to help, especially to lower the cost of housing.

TOPIC #3	Building Division Budget
PRESENTER	Kim Palmieri
NOTES/OUTCOME	

- Kim Palmieri: update on where division is with revenues and expenses. Seasonal cycles of revenue and expenses. Two (2) scenarios of lower revenues than predicted; \$60,000 and \$120,000 shortfalls. \$60,000 shortfall requires elimination of an inspector who moved to another department, reduction in the time that code inspector is working and voluntary furloughs by employees. The other scenario will require reductions in personnel and willing to consider other ideas. Reserves are at about \$200,000 and should be at \$300,000, so can't use reserves to balance the budget – it has to be done with current revenues and expenses.
- Astle: first line graph – why do expenses peak in January and February?
- Kim: pay rent and have other infrequent expenses.
- Pitman: what is the trigger for implementing scenario #2. Priority Based Budgeting presentation was about the “new normal.”

- Kim: look at this each month, looking for trends, listening to builders about their plans and will have to make decision by the end of the year. Predict that we'll be in the second scenario at that time.
- Clark: revenue is less than when budget was set. How have they actually been received?
- Kim: blue lines on the line graph are close to actual.
- Tina: most employees are Teamsters, so require 45 day notice to layoff. Federal Courthouse does not pay building fees, but GSA will pay. Hope that construction picks up eventually. DPARB discussed the issue and we talked about contracting for plan review service.
- Ulledalen: do we talk with architects and builders about their plans, what is on the horizon?
- Tina: can do that through DPARB.
- Candi: we work consistently with builders and land developers, so we know about development before anyone else in town does. Think there will be a good number of lots coming through the process and we reviewed about 200 lots this summer.
- Clark: how is the planning budget doing?
- Candi: holding our own, especially with reducing expenses. CDBG and HOME programs will be reduced, so struggling in that division.
- Ulledalen: Sense of inventory of lots platted? Running out?
- Candi: seem to be low on home lots; reviewed and approved new lots in Twin Oaks and in Ironwood. Bozeman and Missoula have many vacant lots.
- McFadden: without growth are we in trouble?
- Candi: there are many different ways to grow without annexing more land. Exploring options on how to do that within the present limits – infill.
- Tina: face several challenges. For the General Fund the Mill levy cap, federal funds shortage, this is the reason for Priority Based Budgeting.
- Ronquillo: not picking up leaves – what kind of notice will the public receive?
- Tina: CityLink is being published and will look at other ways to inform.
- Astle: there is a notice on the water bill this month about no leaf pickup.
- Ulledalen: what is the holdup on flyer on texting?
- Tina: delay in getting information and working on getting it published.
- Public comments:
- Denise Smith, 1645 Avenue D, HBA: HBA agrees with avoiding budget overspending. Keep in mind that there are limited number of homes available in the market. Construction ordinarily leads us out of recession. Hard for public to react to increases in building. Suggest a trigger that indicates when the city should re-hire staff.
- Hanel: your information is helpful, give us your background.
- Denise Smith: born in Billings, lived in Flathead for past 20 years. Owned video production business, worked at the Kalispell Chamber and with Senator Burns, business advocacy until moving here.
- Ulledalen: it's been a few years since we reviewed development review process; should we do it now and also try to determine if Billings has slumped or hasn't slumped yet? HBA recommend changes in the process?
- Tina: reading through the old manual and will share it with Denise.
- Denise Smith: wise, incremental growth here compared to Bozeman and the Flathead. Discussion how we can do the process better.

Additional Information:

Public comments:

Kevin Nelson, 4235 Bruce Avenue: report today that the Americas are where oil exploration will happen. Billings could be impacted if we're not ready for growth.

Would like to start dialogue on public comments. Think that Council is chilling the testimony by asking questions that challenge testifiers, making others reluctant to testify. Think Council should note questions and ask people to come back to answer them after all other testimony.

Twisting the public comments here; other places hear the testimony and don't ask questions.

Ruegamer: do you know if anyone doesn't testify? Have asked us questions or stated things that we don't know about. Frame your questions to indicate that we've done something wrong.

Asked you to write questions and submit them early.

Kevin Nelson: have witnessed some who don't want to testify after witnessing council conduct toward citizens. Need greater objectivity.

Astle: what happens if someone testifies and then leaves the room?

McFadden: often ask questions so that people can better make their points.

Joe White, 926 N. 30th: not endorsing anyone for Governor, but Carbon County news story about Rick Hill campaigning for Governor. Said that he'll visit city governments, school districts about their concerns. Urge you to talk with him about children in need, human care, grocery stores, oil spills, etc.

Hanel: may want to attend council on aging meeting.