

City Council Work Session

5:30 PM
Council Chambers
May 29, 2013 (Budget Only)

ATTENDANCE:

Mayor/Council (please check) x Hanel, x Ronquillo, x Cromley, x Cimmino, x Pitman, x McFadden, x Bird, x Ulledalen, **McCall**, x Astle – arrived at 6:05 , x Crouch.

ADJOURN TIME: 7:50 PM

Agenda

TOPIC #1	Downtown Business Improvement District
PRESENTER	Lisa Harmon, BID Executive Director
NOTES/OUTCOME	

- Lisa Harmon, BID Executive Director: BID is a public/private partnership with City. Clean and safe downtown with 575 property owners contributing. Gave history of the downtown BID, in-house BID saves money. Started in 2005 with 18 block area in zone 1. Expanded with a zone 2 for the “safety” function. Safety program working well. Downtown Resource Officer, Shane will probably be transferring to a different assignment, but Officer Harley will stay. Downtown BID reimburses Billings PD \$125,000/yr. for 2 officers. Monies are collected from the larger group. Mandate from the property owners of BID is a “clean and safe” downtown that would stimulate development in downtown. Street level sweeping, trash removal, graffiti removal-- powder or pressure washing and snow removal in a 4’ right-of-way are provided. Beautification projects downtown have been done. Help with event facilitation and staging for DBA; maintain street furniture and removal of some benches; maintain hanging flowers; hang Christmas decorations in partnership with the DBA and those are funded by donations only. Hospitality – will add ambassadors now to guide people to events and places downtown on Friday and Saturday nights. With the Northern Hotel, New Library, Federal Buildings – seeing a lot more foot traffic, pedestrians and cyclists in the downtown area. Loan-a-bike program and bike racks are sponsored by downtown businesses. Outreach – Spare Change for Real Change – 2005 focused on the panhandling situation. This program was developed to help alleviate panhandling in the downtown area. Downtown area is a hub for social service providers, etc. This past year the proceeds from the Purple 5k and the bike race were \$10,000. All proceeds raised are spent on projects; none of it is used for administration. There were 10 applications for a grant; \$5,000 was awarded to Center for Families and Children; \$1,000 to St. Vincent De Paul Charity office to purchase safe cribs; \$2,000 to Tumbleweed Program; \$2,000 to Volunteers of America for housing set up kits for homeless individuals entering their first apartment.

BID work plan – event facilitation – Alive After 5 concert series. Help DBA and DBP with putting up the stage and canopies for these concerts. A wonderful merger.

BID staff are on the streets every day from 4:30 a.m. to 4:00 p.m. cleaning and tidying downtown sidewalks. Are the eyes and ears and report to the Downtown Resource officers, Shane and Harley, if there are problems. Officers have created a brochure with safety tips and a contacts list/calling tree. There is a crime watch page online of the downtown businesses.

Presented the FY14 budget proposal for safe and clean of \$344,000; explained the assessment methods and various sources of revenue. Will need to replace the vehicle that was donated by MDU to them; it is at the end of its life. Named board of directors; 2 terms expiring and replacements already named. Approximately 70% of budget goes to personnel; 72% of revenue obtained from assessments. Positive net income and assets.

- Mayor Hanel: Who assists with financial management?
- Lisa: Avitus Group does the day-to-day work.
- Public comments: None.

TOPIC #2	Public Works
PRESENTER	David Mumford, Public Works Director
NOTES/OUTCOME	

- Dave Mumford: Introduced division managers. Thanked Council and Tina for allowing him to present budget, rather than the City Administrator. Started presentation with history over the past 12 years to explain how the budget evolved. In 2001, Public Works was strictly solid waste, street traffic, building division, engineering and administration with less than 100 employees. Between administration and capital costs, used about \$2 million of General Fund monies. By 2003, Public Works and Public Utilities divisions were merged and the Public Utilities director position was eliminated. Public Works' personnel grew to 240 in a day. Created 2 Deputy Director positions; one remains vacant. In 2005, arterial fees were created and generate enough money each year to build 1 mile of arterial road per year. Still meeting that goal. Implemented the business plan since 2010. Public Works no longer receives monies from the General Fund and is contributing \$3.1 million per year to the General Fund from fees. Presented milestones and improved services and programs. Revenues are received from many sources; 56% from fees and assessments - \$107 million. Expenses are \$115 million, using reserves that were saved for specific projects. Only 16% for personnel unlike many other depts. Capital is 53%; have very expensive equipment. Each street light district is individually calculated each year and assessed based on its needs. Same for street maintenance districts. Rate increases is a continuation of the 2.5% that was part of the business plan to keep Public Works from sliding backward. Total increase on a residential home is \$4/year or .34/month. Will help keep Public Works from losing ground, financially.
- Mayor Hanel: Explain the rate increase for downtown vs. the rest of town. When MDT took over state routes maintenance on 27th Street and Montana, did that affect the price paid by downtown?
- Dave: Central downtown district is SMD-1 - 8.5% rate increase and pay about 6 times more than the general district pays. Pay more because they receive extra services, i.e.

street sweeping 3 times per week, etc. Discuss the fees annually with downtown property owners. East TID will probably create a 3rd SMD because they want more services. Negotiating with businesses in that area now. City continues to pick up snow and sweep the roadways MDT took over because the State doesn't provide the level of services the downtown businesses expect. State does not reimburse City for these services. State provides service at the level in which they feel is appropriate – plowing after storms and basic sweeping.

- Ronquillo: Employees were sweeping on State Ave. sidewalks near railroad. Thought railroad maintained.
- Dave: City does it because railroad won't pay. (*Continues presentation.*) Not looking for rate increase in Solid Waste collection. Looking at a 2.6% increase in landfill rates; affects customers outside the city limits that use the landfill.
- Ronquillo: Working with Powell and others?
- Dave: Still talking with them, figuring costs and charges. Will present to Council. Next year will probably start charging all private haulers instead of the counties and cities in the area. Wyoming landfills are closing, so Billings' landfill will probably get more interest.
- Ulledalen: Surrounding counties and cities oppose Billings imposing a resort tax, but want us to take their waste. Need to make sure rates are high enough to cover costs.
- Dave: Have a valuable asset; need to protect it. Can be profitable. (*Continues presentation.*) Over \$5.1 billion assets managed by PW, does not include the \$35 million for landfill or equipment.
- Astle: Line at landfill over the weekend, workers doing a great job directing traffic and working very efficiently.
- Dave: Will be installing a 2nd scale with auto sensing and controls. Refuse trucks that service the residential areas pick up over 1,000 garbage cans a day. (*Continues presentation.*) Reviewed \$20 million in planned capital improvements. Zimmerman Trail improvement discussions with DOT will be presented to Council soon. Installing better fencing around the landfill now; will provide security as well as containment. Shiloh Conservation area improvements will begin in July and will be completed the first part of 2014. EPA and DEQ negotiations on nutrient standards almost concluded for the new wastewater plant. Will still have to reduce nutrient discharges, but State backing off 20-year timeframe for ultimate improvements. Phasing the work vs. the financing. EPA helping with DEQ agreements. Unfunded projects (not in the CIP) because don't have money for it.
- Pitman: Dave bought the City over a decade's worth of time to accomplish some of the things DEQ wanted done. Gives the City and technology time to make it feasible.
- Dave: Started moving in this direction 4 years ago. At that time talks were that the City of Billings would have to spend 2.5% of median household income before would consider a reprieve in rates. Household wastewater rates would have been \$98/month. At that point the City would have had to spend \$300 million before DEQ would consider a variance from continuing forward. Even at \$300 million, still would not be able to meet the new standards. Community has absorbed 7% to 8% rates, but at a point that can extend out for 10-15 years before having to continue forward. Five-year CIPs are

presented to Council based on what PW believes can be budgeted, not on all the improvements that need to be done. When considering all the miles of road projects unfunded – it is \$3.5 to \$4 million per mile.

- Pitman: Can some of these projects be considered for a new bond issue for road improvements?
- Dave: Yes, but needed to wait for Library improvements; need to discuss with Council soon. (*Continues presentation.*) Storm water treatment is on the horizon. Consultants returned a \$165 million figure to completely upgrade the entire storm water system. The annual capital budget is \$1.5 million, a long way from being able to complete this project. Storm water requirements are moving toward the same as for wastewater. State is collecting data and the City is failing the numbers like every other community. Eventually will have to clean storm water. Trying this with the Shiloh conservation area. If it works, is an inexpensive cleaning method and doesn't require mechanical cleaning devices.

Utility pipe replacement at 3 miles per year is \$4 million. At this rate, we are expecting the pipe to last 150 years to replace it- not very realistic. Maintenance is diligent in replacing valves, etc. to keep the system operational.

Will need an additional water plant. Looking for appropriate sites on the west end now. Would be a seasonal plant to serve users during the summer peaking time.

- Hanel: Possible to sell water to other communities in the future?
- Dave: Have had discussions with Laurel about a plant, but no agreement yet. Would be great to work with them and be able to have a plant that could be used year round.

Need an additional wastewater treatment plant within 25 years.

- Ulledalen: PW good at advising what the facilities and services cost. Appreciate the gradual, consistent rate increases.
- McFadden: Concerning natural gas production at landfill, could snow be hauled to landfill to add more water to produce more methane?
- Dave: Not sure water will penetrate and landfill is too far for hauling.
- Ronquillo: City paving equipment used well by crews.
- Hanel: How does patching truck work? It's an amazing machine and the operator does a great job.
- Bill Kemp: It's a one-man operation, very efficient. Liquid asphalt mixed with gravel, for potholes only, not road construction.
- Pitman: What is the status of getting the 2nd well up and running?
- Mike Rubich: In service by the end of the summer.
- Dave: New painting contractor on board.
- Cimmino: Who stripes streets? Some places there are 4 lines; can't they match? CTEP going away? SMD-1 pays more; include residents? Thanked Dave for responses to questions. Who came up with the \$38 million estimate?
- Dave: City street maintenance crews stripe the streets. Lines should match. Current CTEP projects are the last ones. New program run by state in highway bill. Cities will have to propose and it will be a competitive program. SMD-1 -- all businesses, no residences. HDR Engineering, as the consultant for the Master Plan, came up with the figure. Need

better water storage so that's why there is a pushing for a reservoir. Pushing water through current reservoirs several times a day; constant turn over during the summer months. During winter months, producing 18-19 million gallons of water. During summer months, that is increased to 60-65 million gallons of water per day. Maxing out the existing water plant. Secondary peaking plants are pretty common around the State.

- Ronquillo: Resident on 22nd still getting storm water. Discussion with Phillips?
- Dave: Project will be in 2014. Willing to talk with the resident mentioned. Some of the problem in that area is because there are no curbs and gutters, so storm water doesn't have a way to get to the storm drains. Residents are looking at a large area to have an SID to address that.

Probably present to Council in July a contract with Phillips 66 so can take their industrial waste next year.

- Public comments: None.

TOPIC #3	Parks, Recreation & Public Lands
PRESENTER	Mike Whitaker
NOTES/OUTCOME	

- Mike Whitaker: Introduced Lee Stadtmiller, Cemetery Superintendent, if there were any questions concerning the cemetery. Introduced a new website and address. Using social media more to help distribute info. Summer revenues are up 78% which supports these statements.
- Hanel: If social media works, why using a billboard at North 27th advertising activities?
- Mike: Use many ways to get info out to public. Billboards cost about \$400 each for 2 months.
- Cimmino: Summer brochures inserted in the *Simply Family* magazine were brilliant and the small size was wonderful.
- Mike: Very successful. *Simply Family* is a free magazine distributed all over the city. Brochure was done in-house by the Rec. Division. (*Continued presentation.*) Funding comes from the City's fees, charges and other miscellaneous assessments, and 37 individual Park Maintenance Districts. Only 43% support from General Fund. General Fund contribution hasn't changed much over 4 years. About 76% of the Parks' money is spent on maintaining the parks, facilities and cemetery. FY14 budget requested an increase by 2.5% over FY13 due to SBRs for wages and spending self-sustaining money for program development. Recover 100% of direct operating costs. More revenue is being brought back into the City. There are 4 other SBRs, including Cottonwood Park Master Plan, even though don't have the money to improve all of it. Would like to provide 3 to 4 acres of irrigated green space. Recommend the development of the Master Plan and partial development of the park located at 54th Street West, south of Rimrock. Is a 38-acre park.
- Pitman: Can a Master Plan be done in-house rather than spending a lot of money hiring a consultant?
- Mike: Looking at the complete master plan, not just the green space. That would be close to the cost to do the master plan for Pioneer Park (\$80,000+).

- Tina: There are parts of the park land that are marshy.
- Ulledalen: There are other soil issues that make it difficult to build on. Will it sustain grass and trees and support the park? Could something be developed for mountain bikers and BMXers there?
- Mike: That's exactly why a Master Plan is needed to address those concerns and siting a building / facility to be located on the property. This park is a regional park and that's the kind of amenities found in a regional park. Would want to work with MSU-B for a community-wide survey concerning the types of amenities sought for the park.
- Cimmino: Did we buy or sell this park to SD 2?
- Tina: The City sold a 10-acre portion of it to SD 2. This land was gifted to the City with the proviso that a portion of it be used for SD 2. SD 2 has 10 years to begin construction. SD 2 is developing a master plan for the area now. The proceeds from the sale of the land have been held in escrow for park development purposes.
- Pitman: Questioned whether now is the time to invest in Cottonwood Park master plan when SD 2 is working on their school siting plan for the area. Perhaps SD 2 should propose their master siting plan before the City does any planning for the park.
- Mike: Can consider plan A and plan B with and without the SD 2 keeping the land for a school. (*Continued presentation.*) There are 3 more SBRs for improvements to the cemetery. The forester will be doing tree work at the cemetery; road improvements will also be done at the cemetery; and preparations to Section 15 for graves. Those projects will be funded out of the cemetery expansion fund.
- Astle: Putting in a restroom at cemetery?
- Mike: Yes, going to bid in June.
(*Continued presentation.*) Citywide district assessments of \$1.895 million.
Described improvement projects and on-going work.
- Ronquillo: Thanked Parks Dept. for work on gazebo and tables in South Park.
- Mayor Hanel: Thanked Cemetery crew for Memorial Day presentation and work in cemetery.
- McFadden: Pine beetles still a problem?
- Mike: State arborist recommended not spraying any longer for pine beetles. The threat is over. Preparing for the Emerald Ash Borer. Weed spraying has eliminated much of the problem.
- Astle: Mike presented at task force meeting, he remained calm despite antagonism from a resident. Use website, etc. to promote the license plate sales – good money from them.
- Mike: About \$8,000/yr. is received from plate sales and is used to buy trees for the parks.
- Bird: Rose Park pool status?
- Mike: Slides will hopefully be operating by middle of June. Pools open June 5. Restrooms: 3 complete replacements and 6 repaired. Will email the locations for the 3 complete replacements. (*Continued presentation.*) Recommended a 12.5% rate increase in PMDs, mostly due to water costs caused by the recent drought. Should equalize revenues with expenses.
- Public comments: None.

TOPIC #4	Administration & Administrative Services
PRESENTER	Bruce McCandless, Assistant City Administrator
NOTES/OUTCOME	

- Bruce McCandless: Introduced division managers – David Watterson, Information Technology; Larry Deschene, Fleet Services; Saree Couture, Facilities. These departments use a mix of enterprise, internal service and General Fund monies.
 - Internal service funds – maintain and purchase, etc. computers, phones, vehicles and maintain and clean 2 of the largest City facilities for about 2.2% of City budget.
 - Parking expenses \$32,000 less than shown in budget book because consolidated Facilities and Parking function. Total expenses are \$1.5 million. Revenues \$125,000 less than in FY13 because of energy improvement rebates. The net income is \$100,000, much better shape than a year ago. An opportunity or challenge is the possible transition to Parking Commission. Proposed Charter amendment will come before the Council in June.
 - Empire Garage will come online in 2014 with condo arrangements. Will be the first fully-automated parking garage for Billings. Both revenues and costs are in the budget.
 - Condition audit done first time in 8 years to prevent water penetration.
- Bird: Have standards for parking space sizes changed and become larger along with the size of newer vehicles?
- Bruce: Size of parking spaces is not different; Park III was built in tight space with hairpin turns. The other parking garages were built on more land. (*Continued presentation.*)
 - Internal services: Little change in budgets.
 - Fleet: Is down – no capital expense.
 - IT: Is up because of main frame replacement to handle New World public safety hardware and new GIS aerial photography that is updated every 3-5 years and used by multiple departments.
 - Facilities: Is up due to capital expenses and operating and maintenance expenses; i.e. new Council chamber chairs; drainage improvements and interior flooring improvements to City Hall, along with access control projects and lighting upgrades; and office space master plan.
- Cimmino: New World hardware, not the software?
- Bruce: Yes, servers to run the software.
- Cimmino: Thought already went through that with the ERP.
- Bruce: Put into reserves, spending now. New World software was budgeted at \$600,000, but \$140,000 of hardware was also listed for replacement. Money is coming from two different sources.

- Tina: CM Cimmino, are you referring to the \$2 million system put into the dispatch center? That was totally separate.
- Cimmino: Recall that when resolution was adopted for \$1.8 million for software, an additional \$600,000 was requested for New World software. Came out of Council Contingency Revolving Fund.
- Tina: Doesn't recall particularly, but Bruce will provide detailed accounting of \$2 million of public safety radio summary and the New World public safety software.
- Bruce: Will provide to all councilmembers.
- Pitman: Please provide a summary of the total cost of the New World system and Innoprise to Council. What is the total investment?
- Astle: Why not use Google Earth as opposed to aerial photography?
- David Watterson: For the City's purposes, it is best to use aerial photography in our format to manipulate for the different departments' uses. Accuracy is down to centimeter accuracy. Google Earth does not come in that far due to privacy issues, etc. Google Earth's photography may be 5 or more years old and is not reliable. Total cost \$35,000, and is helpful to departments using GIS more.
- McFadden: Do the public safety crews have immediate access to new aerial photography?
- Dave: Not at this time? Will develop in the future.
- Pitman: Is this something the City needs to keep doing, or will technology catch up with it so don't need special flights?
- Dave: PW used Google Earth for a while, but have adopted GIS because of quality, with almost every department assisting in payment. Fly in spring or fall to get leaf-off photography for most detail on the ground.
- Bruce: Other internal services projects include Innoprise implementation and the new Library.
- Bruce: General Fund Mayor & Council Contingency included Revolving Loan Fund in 2013, which is recommended to drop to \$65,000 in 2014. Was high because it was the last year to pay off the lawsuit filed against the City. Now it has dropped back down to the normal year.

Administration has \$26,000 increase for personal services.

Non-departmental includes catchall, such as transfer to Public Safety Fund. Does not include negotiated contracts with labor unions. Two elections budgeted. Strategic planning and Planning/Community Services move are included in 2014.

- Bird: Office space master plan is facilities plan? Will consultants be hired for both the office space master plan and strategic plan?
- Bruce: Yes, it is the facilities plan. A consultant will be hired for that plan to be completed in 2014. The strategic plan will be a collaborative effort between the City Administrator and Council deciding who you want to facilitate the process.
- Cimmino: Cost of Planning move going up?
- Bruce: This is the portion coming out of the General Fund. Doesn't have a full accounting of the move expenditures today, but can provide.

- Tina: It is largely the Community Development’s portion to move and additional rents.
- Cimmino: \$600,000 for New World for FY14?
- Bruce: It is. Was approved in FY13; to be spent in FY14. Couldn’t get New World software purchased in FY13, so re-budgeted in FY14.
- Mayor: Thanked staff.
- Bird: Chairs become highest priority for FY14.
- Saree: Will bring in demos.
- Public comment: None.

TOPIC #5	Public Comment on Items not on the Agenda
PRESENTER	
NOTES/OUTCOME	

Additional Information:
