

City Council Work Session

5:30 PM
Council Chambers
June 3, 2013 (Budget Only)

ATTENDANCE:

Mayor/Council (please check) x Hanel, x Ronquillo, x Cromley, x Cimmino, x Pitman, x McFadden, x Bird, x Ulledalen, x McCall, x Astle, x Crouch.

ADJOURN TIME: 6:25 pm

Agenda

TOPIC #1	Budget Finalization
PRESENTER	Tina Volek, City Administrator
NOTES/OUTCOME	

- Tina Volek: Gave presentation.
- Recommendations:
1. Adopt recommended FY14 budget as reviewed. Will require reserves to balance General and Public Safety Funds;
 2. Initiate a new strategic plan in early 2014;
 3. Adjust PBB to new plan results;
 4. Determine cuts or levies for FY15 and beyond. Hard to keep FY14 budget same as FY13 due to health insurance increases, employee steps, increases in utilities, charges for services and contractual arrangements. The budget has had no increases in operations and maintenance for more than a decade. Good news -- there was a calculation error of approx. \$300,000 found in the Police Department budget.
- Discussed recommended adjustments to the initial budget presentation.
- Showed 5-year history of General Fund budget surpluses.
- Distributed a detailed, printed report indicating department donations to nonprofits.
- Council may want to address in the future the amount of staff support and space that is provided to groups who use City facilities for profit making operations, i.e. Summer Fair and Saturday Live. There has been an increase in requests to use the City's rights-of-way for money-making purposes.
- Astle: Perhaps rather than charging nonprofits, etc., they could publicly give credit to the City for its non-gratis services.
 - Ronquillo: Special events insurance is too costly. How many hours does the Police Department give away for crowd control and security at these events; or Public Works with setting up barricades, etc.; or the sanitation workers with trash collection and clean up or the Parks Department?
 - Tina: Actually groups may get events insurance through one of the local insurance agencies and purchase it from them at a reduced rate for an occasional event. Can provide Council with a breakdown of hours, by department, that "free" services have been

provided for events, but will take a while; Parks Department alone has a 12-page list of events they provide support.

- Bird: Suggested starting in FY14, looking forward, to account for the time and other resources provided to community events, rather than go back.
- Pitman: PBB demands conversations about what are priorities and whether we can continue providing “free” services.
- Tina: (*Continued presentation.*) City shares a little over half the total cost to have school resource officers at the schools. City pays for operations at the Yellowstone Valley Animal Shelter, but they actually run the shelter for less than what the City could. Downtown Business Alliance pays for the 2 street officers, but a hidden cost is the incarceration costs of about \$200,000/yr., which a vast majority of detainees come from the downtown area.
- Astle: Incarcerating individuals is not a donation, it’s protecting the public and it is their job to do so.
- Ulledalen: The animal shelter is the same thing – that is a service we must have and the City does not want to take it back. Would the City want to discontinue having a shelter? Tough to call it a donation.
- Tina: The City is not mandated by State law to have an animal shelter; is normally a County function. But is a quality of life issue.
- Mayor Hanel: The school resource officers also provide a valuable service to the schools and students.
- McCall: Suggested sharing this type of information through similar publication that hospitals do about community benefits. Suggested placing this information on the website and also in the *City Link* about how much these services really cost. And all the services taxpayers are receiving without additional fees or charges.
- Cimmino: Believes in the partnership between public and private entities. Tempe, AZ publishes on its webpage the names and events they provide “free” services to, lots of info available there. College Station, TX and Chapple Hill, NC also publicize their partnerships and how beneficial non-profits are to communities. It takes everyone working together to build a community. (*Quotes an Italian proverb.*)
- Hanel: If this information is to be compiled, who on staff would compile it?
- Tina: Each department that provides the service(s) would need to compile the information and then the Administration Department would collect that information and provide a report.
- Astle: Another example of “non-gratis” public service is the toxic waste roundup. Firefighters and police were present to gather prescription drugs and of course, solid waste employees were on hand to collect all other toxins. Really a gift to the community and our environment. Ran very smoothly.
- Tina: (*Continued presentation.*) Stated she received information from Montana League of Cities and Towns comparing salaries in Montana’s local governments. Also received from Big Sky Economic Development salary information from the private sector of Billings industries. More than 600 City employees are unionized and the salaries are a part of their contracts which involves bargaining. Need to review the information more thoroughly before giving an analysis to the Council. Will be interesting to compare public vs. private sector salaries.
- Cimmino: Is there a breakdown of what other cities pay?

- Tina: Yes, in the information given by the Montana League of Cities and Towns. (*Continued presentation.*) Will need to use a small amount of reserves to balance, absent the collective bargaining agreement settlements. Council decides whether to spend reserves by adopting the budget. Focus on the General Fund and Public Safety Fund, but other Funds are also using reserves.
- Ulledalen: Focus only on General Fund and Public Safety Fund. Should Council wait to adopt the budget until after the contracts have been settled or approved?
- Tina: By State law the budget must be adopted by early September, 30 days after the State gives an assessed valuation. Not sure contracts can be settled before September. Urged Council to adopt budget soon and amend as contracts settle.
- Pitman: Need to use correct terms – not really deficit spending. There is \$11 million in surplus. Need to define what this money is and what it is set aside for and be consistent. All departments have reserves and there is a reason for those reserves for specific purposes. Deficit spending means City doesn't have reserve money and is going in debt to keep government moving forward. The City is not doing that. Need to designate reserves; it's not all the same money.
- Tina: Set aside reserves for many reasons; allow us to wind down slowly.
- Ulledalen: Deficit spending means current operating imbalance. Need to show and understand differences between statutory reserves and discretionary. Some reserves should be untouched. Know that pensions will continually increase.
- Cimmino: Pension deficit is \$53 million?
- Tina: Yes, State PERS system figures for everyone, except police and fire. Discussion about GABA (police retirement). Appears the City will be required to contribute an additional 1% and each Teamster and non-represented employee to contribute an additional 1%.

Bond rating has been increased after a lot of staff effort, saving taxpayers \$5.9 million in FY13.

There is a public hearing and resolution to adopt the budget on the June 10 agenda.

- Cimmino: Number of non-represented employees is 221. About 350 Teamsters.
- Crouch: What is the dollar amount of 1% and is it budgeted at this time?
- Tina: It is not in the budget and is about \$500,000 across organization.
- Ronquillo: Chat with Chief St. John at Task Force meeting was very successful. Laying groundwork for next levy election; maybe Chief Dextras can do the same. Think it will go a long way to passing a future public safety levy.
- Pitman: This has been one of the best budget presentations and cycles. Acknowledges Billings is growing in good ways. Budget represents that. Revenue has increased and expenses are under control. Bring the budget forward.
- Hanel: It's a give and take with nonprofits. Police Department volunteers save how much money?
- Chief St. John: Thousands of hours and dollars saved. Volunteers taking calls on non-investigated crimes against property. They are placing stickers on abandoned vehicles and they have eradicated the problem in Billings. Whatever the volunteers can do, frees the officers to do more priority work. Can get rough numbers for you later.
- Hanel: Questioned again who is going to put donation numbers together – already busy people.

- Tina: Don't have a communications / public relations officer. Management team would work together to assemble as best as we can.
- Cimmino: Provide the salaries study to Council electronically?
- Tina: Certainly.
- Hanel: Do you believe PBB helped department heads make better budget presentations?
- Tina: May have made departments more aware of priorities and costs.
- Pitman: There have been a number of emails to Council concerning repairs of tennis courts.
- Mike Whitaker: City is patching courts at Central and Pioneer Parks. Taking bids for repaving at Rose Park. May be able to do that as well if it doesn't cost too much.
- Bird: Spoke with Judge Fagg. Asked him what the needs are for next year's Class A championships. Will need all of the courts at Rose, Pioneer and Central to do it.
- Mike: The city-wide Park Maintenance District has 2 tennis projects in the proposed budget; reconstruction of Castlerock tennis courts and reconstruction of 3 tennis courts at Pioneer Park. Probably will get only one of them done before spring tournaments due to cash flow.
- Cimmino: Did the Billings Tennis Association build a facility?
- Mike: They do not have a facility – City provides outdoor facilities. The Elks Lodge built indoor courts that BTA uses.
- Ulledalen: Do an inter-fund loan to do the courts early and repay when taxes are collected. Fund swap to make this happen.
- Bird: Agreed with Ulledalen. Perhaps Tina will follow up with Judge Fagg about partnering with BTA for tennis court repairs.
- Tina: Will look into.
- Public comments: None.

TOPIC #2	Public Comment on Items not on the Agenda
PRESENTER	
NOTES/OUTCOME	

- None.

Additional Information:
