

City Council Work Session

5:30 PM
Council Chambers
December 2, 2013

ATTENDANCE:

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

ADJOURN TIME: 8:15 p.m.

Agenda

TOPIC #1	Annual Customer Facility Charge Report
PRESENTER	Tom Binford, Director of Aviation & Transit
NOTES/OUTCOME	

- Tom Binford: Gave CFC annual report and presentation. June of 2010 Council approved ordinance that allowed the airport to collect a Customer Facility Charge so funds could be generated to make annual bond payments. Bonds were needed to build facilities for the rental car businesses. Annual reporting was a requirement of the ordinance. Mr. Binford continued by giving specific QTA operational statistics for the car washing facility for the last fiscal year, ending June 30, 2013. Facility is well used.
- Ronquillo: 343 days of operation last year; charged \$1.98 per car wash. This year is down?
- Tom: Yes, just how the operational costs come. Could have spent more on water; could have had a colder winter – all of those things affect the numbers.
- Ronquillo: This year the amount of barrels of rinse is one-half of what was used last year. Why? Cost figures appear to be the same as the previous year.
- Tom: Varies in the operation and how it is used.
- Cimmino: On the pre-turn-around facility, are the rental car businesses reimbursing the City for an \$8 million project that was built a couple of years back?
- Tom: The \$1.67 per car wash is the operational cost on a yearly basis. The capital costs are being retired through the bond payment. That is not figured into the \$1.67. If the bond side was factored in as well it would be about \$8 per wash. The capital is separate from the operation. The bond payment is separate.

Reserves beginning June 30, 2012 were \$559,922 and after all other revenues and expenses are accounted for the facility, the ending reserves balance as of June 30, 2013 is \$834,439. The forecast report for FY2014 will be impacted by this summer’s overlay project and affected the car rental business. There will be parking lot construction this year. The estimated reserves at June 30, 2014 is \$462,157.

- Pitman: What is the minimum amount we want to keep in reserves?
- Tom: Have a bond covenant that requires us to collect 125% of the annual bond payment, so \$125,000 over the \$500,000. So would always keep in that range, but a

million dollar range would be good before considering reducing the CFC amount. It is currently \$3 per contract day. An analysis can be done and we may be able to reduce it to \$2.50 or reduce operational costs. So if we run out of projects for that, can talk to car rentals about reductions.

- Bird: What are you attributing the decrease in traffic to?
- Tom: There are a number of factors – the airline industry has gone through some major changes; the number of airlines has been reduced due to consolidations, mergers and going-of-business. They have cut back capacity significantly. Flights have been cut back. Last year was doing quite well in our region due to the Baaken Boom, but now there are little airports in the North and South Dakota areas that didn't have commercial airline business in the past, but have it now because of the demand. The national economy is affecting the airport. Families are traveling less due to expense.
- Ulledalen: How does Billings compare to Bozeman?
- Tom: Bozeman is busier than Billings in passenger enplanements right now due to our runway overlay project. The other reason is that Bozeman is seeing a lot of activity in the summer due to Yellowstone Park and in the winter it is due to Big Sky Resort. Comparing Bozeman and Billings markets is tough to do. They are very different markets as far as the customer base. Bozeman does a lot of airline incentive stuff that guarantees revenue on flights. There was one direct flight a week to New York this ski season where they guaranteed that the airline would at least break even on the cost of offering the flight. So Bozeman is not necessarily competing with Billings for passengers. They are competing with Aspen, Jackson Hole, etc. Easy for them to get an incentive through community investments to do those. Billings has elected not to do those. Discussions have been held at length with BSED and the Chamber. Billings has more business-related flights. Fed Ex and UPS have large aircrafts twice a day, doing a lot of air freight. Bozeman has more tourism business.
- Public Comment: None.

TOPIC #2	MET Disabled Veterans Program
PRESENTER	Ron Wenger, Transit Manager
NOTES/OUTCOME	No Council Action Needed – Recommendation will go to VA

- Ron Wenger: New route and schedule changes were implemented in August 2013. Many of the changes involved additional service to the West End and direct service to the newly expanded VA Clinic. It is still early, but the preliminary passenger counts are indicating the changes are validated. With the extended service to the VA Clinic, the question on how to best serve the disabled veteran came to light. Certainly want them to take advantage of the discounted, disabled pass, but what is the best method to register and provide the passes? Researched other transit systems and held staff discussions. A recommendation was offered. Want disabled veterans to be able to use their current disabled veteran's ID card and ride for free. Believe they are a unique group whose service and sacrifices made to our country entitle them to this unique service. And somewhat separate them from other groups. Other systems throughout the country are utilizing this option. The overall expansion of the West End routes is steady; the actual use by the VA Clinic is quite minimal and makes up only a small portion of the ridership. Many of these individuals are not disabled veterans. Therefore, the potential revenue loss

for this service to disabled veterans is negligible. This recommendation was brought before the Aviation and Transit Commission at its last meeting and it received unanimous approval. Would proceed to visit with the VA representatives and others on how best to implement this change, if the Council wishes to proceed.

- Mayor Hanel: Any comment he has received concerning the changes to routes has been very favorable. Expect to see an increased ridership when the VA Clinic’s expansion is completed. Agrees with the commission’s approval.
- Ronquillo: Recently escorted 7 veterans to Bozeman to watch the Cat/Griz game. A lot of them live in nursing homes and assisted living care facilities where they have transportation provided them.
- Cimmino: Totally support this endeavor. Believe the community would support this as well.
- Bird: Her son and his friends have been riding the bus to and from school. It is a wonderful convenience.
- Tina Volek: There will be no further action before the Council on this item. It will simply be implemented, unless there is other direction.
- Public Comment: None.

TOPIC #3	2013 City Subdivision Regulation Amendments
PRESENTER	Juliet Spalding, Planning Division, Subdivision Coordinator
NOTES/OUTCOME	

- Juliet Spalding: Gave presentation concerning basic amendments for subdivision regulations. These are based on the State’s legislative session, wherein there were a few changes to the Subdivision and Platting Act that regulates subdivisions. State law also requires that there be local regulations that are consistent with State law. The Planning Board held a public hearing, which was held open for 2 meetings in November, and made a recommendation. On December 9th, will ask Council to hold a public hearing for public comment on the proposed amendments and consider adopting the regulations on first reading of the ordinance. Then a second reading would occur during the first regular business meeting in January.

There are 4 chapters of the regulations that are affected by the amendments. There are definition updates; updates to the review process of amended plats; updates concerning access requirements for major subdivisions; and removal of references to subdivisions for rent or lease; it now has its own chapter under State law.

Ms. Spalding continued to detail the amendments.

- Ronquillo: Asked about points of access for duplexes and 4-plexes and whether those are considered minor or major subdivisions.
- Juliet: If they are each going on their own lot, it would be considered a minor subdivision.
- Ronquillo: What if they are all on the same lot?
- Juliet: If they were on the same lot, would not be reviewing as a subdivision. It would be a multi-family development project. There is a different review process for those. The Fire Department, in that case, would implement – per fire code – the number of accesses. If there were 10 units, only 1 access would be required. That was one of the reasons the

changes were being reviewed. But if there were 10 lots, then 2 accesses would be required. We were seeing the inconsistencies. The proposed changes will hopefully clear up those inconsistencies.

- Ronquillo: So do not go by the number of people; such as if each unit has 3 bedrooms, there will probably be a minimum of 4 or 5 people per unit, which could create a lot of traffic utilizing the access.
- Juliet: Do not regulate based on numbers of bedrooms, just on numbers of units.
There were some instances in which emergency access roads were required and those are not always the best answer. Don't provide access for residences, they are usually graveled and gated and become a maintenance issue for the City. The Fire Department doesn't like that option. This amendment will help to relieve those types of instances. Was discouraging for some small in-fill projects. (*Gave examples.*) Townhouse review processes are exempt from subdivision review. In situations where 2 accesses are not required, turnarounds must be large enough for a fire truck to turn around.
- Cimmino: A cul-de-sac, with an approved turnaround of 600 feet or less, would basically provide for emergency vehicles to make a 3-point turn in a cul-de-sac configuration?
- Juliet: A cul-de-sac typically built to a radius or diameter to allow an emergency vehicle to do a turn without a 3-point turn.
- Ronquillo: If there were individual homes there would need to be 2 points of access. Rebecca off of Newman Lane has 17 Habitat houses in it and there is only 1 access. Was it grandfathered in or will we make them put another access there?
- Juliet: That's an example of a subdivision that was developed before 2006 when the 2 points of access rule came into play. The new proposed changes would allow that situation today. Rebecca would be grandfathered in, but the new regulations would then make it completely legal.
- Bird: What is the difference between houses and townhouses, in terms of 1 access point or 2?
- Juliet: It comes down to which regulations they are reviewed under. Townhouses and condominiums are exempt from being reviewed as subdivisions through State law. So don't review them using the subdivision regulations. Review them using the site development ordinance. The site development ordinance goes hand-in-hand with the Fire Code. What we are proposing here are changes to the subdivision regulations to make them consistent with the Fire Code as well. Bringing all the regulations in line thereby eliminating loop holes and bringing consistency across the board. In order to do that, have tried to propose a change to the regulations to align them with the Fire Code and other things to be more consistent. Major subdivisions would need 2 points of access, but there are exceptions to that rule via meeting 3 criteria.
 1. Dead end road no longer than 600 feet.
 2. The cul-de-sac must be served by a road that is not a dead end.
 3. The cul-de-sac would serve no more than 20 lots or 30 dwelling units, whichever is less, per Fire Code.
- Cromley: When there are 2 points of access required, is there any requirement of distance between the 2 points?
- Juliet: There is a minimum of 125 feet, but want to see them much further than that.
For mobile, manufactured home and RV parks wherein the land is being rented or leased and not the units themselves, had to update Section 600 of the City Code to strike

all references to “for rent or lease” subdivisions and replace with manufactured, mobile or RV parks. A year ago this language was added into the regulations and it now must be removed. The Planning Board reviewed the amendments, and held a public hearing. The Board received a couple of comments before the public hearing that were addressed and approval is recommended.

- Astle: Does the County have to approve this, too?
- Juliet: They sure do.
- Astle: Because of BFSA, these rules will apply to the County subdivisions as well.
- Juliet: Yes, they will. The County has been working with that. The County has one slight difference in that the County allows a dead end road of 1,000 feet, instead of 600 feet. BFSA has agreed to that, but everything else is the same as in that criteria.
- Public Comment:
- **Troy Calhoun, 4243 Arden Ave., Billings, MT**: He had questions about access points and brought with him a proposal from a neighborhood meeting. The Mayor directed Mr. Calhoun’s questions to the Planning staff, rather than directing the Council for answers.
- No other comments, public comment period was closed.

TOPIC #4	Hospitality Corridor Planning Study
PRESENTER	Lora Mattox, Planning Division, Transportation Planner
NOTES/OUTCOME	

- Lora Mattox: Gave background on the hospitality corridor that came out of the Exposition Gateway Master Plan for the East Billings Urban Renewal District (EBURD). The Master Plan looked at the land uses in the East TIF district and looked at the land uses and what could potentially happen. This study looks at everything in the right-of-way from Lockwood Interchange to Airport Road along Hwy. 87, which intersects with First Avenue North, Fourth Avenue North and Sixth Avenue North, etc. Looking at all modes of transportation for that area as an entryway. The goals were to plan for that corridor as the EBURD changes in the future. Wanted to provide a cohesive vision for the corridor that would tie in with the revitalization of the Expo Gateway area. This plan looked at all of the MDT right-of-way. Members of the following organizations were invited to be involved in the planning study, Metra, MDT, BIRD, stakeholders, Heights Task Force, Lockwood Steering Committee. They reviewed everything that has been done for vehicles and then considered potential near-term and long-term projects. The study looked at entryway esthetic treatments; potential trail connections and sidewalks; pedestrian crossings; and signage.
- Ronquillo: On 4th Avenue North, would the entrance to Metra Park be changed to an exit?
- Lora: Understand that may be changed to an exit perhaps during the emptying of events, but would not be a permanent change; but could be wrong. That may happen just to unload the lower parking lot during large events. Not certain the County Commissioners are ready to act on any of the projects in the report, but wanted to include those items and enhance the pedestrian crossing at 4th Avenue North.
- Ronquillo: Also discussed the bridge to nowhere on 3rd Avenue North?

- Lora: That is a long-term project, probably will be a privately developed bridge, i.e., like a hotel or complex. Another study may have to be done on a pedestrian overpass on 3rd Avenue North. Will depend upon how that Billings district develops.

The long-term projects demonstrates a new sidewalk along Hwy 87 with pedestrian access to other trails and an alternative access from the bridge to Metra Park.

A roundabout at the intersection of Exposition Drive, Highway 87 and First Avenue North is planned and a HAWK signal at North 10th Street for pedestrian crossing.

- Cimmino: If the HAWK signal is placed at North 10th Street isn't that like 6 blocks from the Metra Park entrance?
- Lora: The HAWK signal wouldn't necessarily be placed for access to the Metra Park, but more for the EBURD. Would be more of an option if the Southside of the EBURD developed and it gave access to shopping, restaurants and hotels.
- Cimmino: That would include the area of the proposed retail – hotel, movie theatre would be located.
- Lora: Right. (*Continues presentation.*) There is a CTEP project that is going to come down Sixth Avenue bypass and connect on Sixth Avenue North, so more connections are being made. Enhancements were also considered at Airport Road. Twice a day it operates at a very poor level. There are no other options right now. Different streetscape configurations were considered. The Chamber is always interested in looking at entryways. MDT is supportive of the project and plan. The Planning Board has heard this and held a public hearing. They will forward a recommendation to adopt the plan at next week's Council meeting. The County Commissioners will also be doing that and then it will go to the Policy Coordinating Committee on December 17th.
- Cimmino: How was the name, Hospitality Corridor, chosen? Was this to make it more welcoming?
- Lora: When trying to develop the Exposition Gateway and EBURD, wanted to develop a hospitable entryway into the City and enhance that area through beautification and better access and make it user-friendly for everyone.
- Cimmino: The study that was done in early Spring. Did you use those findings for this study?
- Lora: We did get a copy of that study and our components did review it. That is how this study arrived at the pedestrian crossings and improvements at 4th Avenue North.
- Cimmino: There is no funding currently identified or allocated for the improvements identified in this study. How are we going to build this?
- Lora: With the Outer Belt Loop, the bypass, we know that a lot of our urban funding and CMAQ funding are tied up for the next several years. So right at the moment we do not have a lot of options for funding, unless something comes up through transportation alternatives program, the new CTEP, we may be able to do some of these projects with it. Sometimes we can receive extra CMAQ funding or MAQ funding or sometimes the State will have some safety funds or will come up with other dollars. As the TIF district gets going, may be able to do some of this inside the area of the Exposition Gateway with TIF

dollars. Just don't have a lot of funding sources identified right now. Looking forward and identifying projects so when the funding is available are ready to proceed.

- Public Comment: None.

TOPIC #5	Priority Based Budgeting / Strategic Planning / Public Safety
PRESENTER	Tina Volek, City Administrator
NOTES/OUTCOME	

- Tina Volek gave presentation. Budget projections from FY15-FY19 assume property tax increases of 1%, an increase of 3.5% in FY15 from HB124 and 1% thereafter from that fund and 1% inflation. Personnel expenses are expected to increase 4.5%, which includes COLA, step increases, and benefits. Other costs at 1%-4%, depending on the type of operating expense. Looked at General Fund accounts, Public Safety Fund accounts and Transit accounts. General Fund and Transit were not considered for tax levy increases at this time. Transit does not have enough ridership or voter support, they are working within their existing revenues and managing to survive. There is a question of what the Federal government will do for transit funding in the future that creates concern. As the population ages there may be an increased need for services. The General Fund supports mainly services such as Parks and Municipal Court. In a citizen survey it was asked if the citizens would be willing to support a lifting of the General Fund mill levy cap and there was no interest in that. Looking at Public Safety. Currently have uncommitted or unassigned General Fund revenues that are beyond the mandated reserves that beginning this year, will be using to handle our increasing public safety needs. Have options: 1) cut expenses and 2) increase revenue through a tax levy. If the reserves we have are used to support other projects, which will hasten our need to address this issue. Can freeze revenue and expenses, which the Council has witnessed some of that when if there were to be a flat allocation to Public Safety Fund and what the impact would be. Within the tax levy there are an additional 2 alternatives. Could create a tax levy that would maintain existing personnel and services or create a tax levy that would increase personnel and services for a growing community. A freeze would assume that the present personnel would remain, but costs would increase and operations and maintenance would increase at the projected rate.
- Astle: At what level would a freeze occur? Don't we have to honor the contracts that were recently approved?
- Tina: Yes, need to go 2 more years.
- Astle: So a freeze is increasing salaries 2.9% for FY15 and FY16.
- Tina: Not for FY16. They are renegotiated for FY16. It's just for budget years FY14 and FY15.
- Astle: What about unrepresented personnel?
- Tina: They do not bargain with us and have made no guarantees beyond the current year.
- Astle: They were not included in FY15? It seems they were; would need to check the minutes. It seems to me it was for 2 years.

- Tina: To be honest with you, I negotiated that contract – it may have been for 2. I'll have to look back and let you know.
- Astle: So the term “freeze” is slightly misspoken at this point. It is a freeze after 2 years.
- Tina: You could freeze now. That means you would be providing fewer people at the same COLA. That's another way to do it.
- Astle: Just want everyone to understand that we have 2-year contracts.
- Tina: With the Fire Department renegotiating in the third year. (*Continued presentation.*) The cut-back scenario that has been talked about would mean a 20-25% reduction in each department, police and fire. Operating expenses provide the vast majority of the costs – personnel provides the vast majority of operating costs in those departments. That would be the primary source. That is if revenues and expenditures are frozen.

The second option is to maintain personnel and services. That expects that the transfer to public safety fund would remain consistent. Would start by using the unassigned fund balance; reduce it gradually over 5 to 6 years to moderate the needs for an additional levy. The number of mills required to generate \$1 million in FY15; increasing to \$18.7 million in FY24, assuming slow growth and property tax collection. Believe that will be the case. This year projected that property taxes would grow 1%, a conservative projection since in recent past years it had been 2-3%, but when received it was .07% because the State had not notified the City of the pending tax cases that had been decided. County, City and State taxes were affected.

The third option is a community growth scenario. The total number of mills is higher than in the second scenario, but the rate of incline is about the same. The written materials provided in the Friday packet indicated when additional personnel would be hired and the costs.

(*Provided a summary of the 3 scenarios.*) The last levy that was voted upon in 2004 and recertified in 2005 was intended to last 10 years. One levy is for a flat dollar amount and it does not see growth after several years. The other scenario is for mills, not a flat dollar amount. Legislatively, the flat dollar amount forum has been eliminated, so a mill levy is the only option.

Discussions were held with the School District and we were aware they would be going to election this year and discussed it would be mutually - - -

- Astle: When projecting the growth of the City, what percentage was used?
- Tina: A gradual, modest increase as we have always experienced, approximately 1.5% per Candi Millar, Planning Director.
- Mayor Hanel: What is the status of the funding for the Communications Center?
- Tina: The Communications Center has a separate funding source, which is the 9-1-1 fund. For every phone number in the area, the City receives a set amount from the State. The City provides most of the funding for the staffing of the center. The State's funding is used primarily for non-staff expenses. Have been investigating the expansion or replacement of the current center. Have been working with property owner in that regard and some assessments have been done. Will bring before the Council. An environmental assessment is currently taking place regarding the parcel of interest.
- Mayor Hanel: What are the available funds presently?

- Tina: For the center – approximately \$2.5 million is available. This is not enough to construct immediately, but would be enough to purchase the land, due the necessary remediation on land and remove existing buildings. Still need to build up funds for construction of a new center.
- Ulledalen: Scenario 3 is the ideal thing that would add additional police and fire staff. Beginning in FY15 those numbers are incremental. So would add each number to the subsequent one to get to the total increase in tax bill?
- Tina: No. It is cumulative. It assumes growth at 1.5%; that there will not be a major change in the way the property taxes are assessed. About to enter a new cycle in the 6-year appraisal plan. Property values will decrease again, and gradually build back up to the current level, which impacts the City. That is good for the property owner in that they do not experience large increases. But has the effect of compressing other problems, along with a cap on the mill levy. In other communities, their City Councils would have voted increases for their police and fire over the years because it is the number one priority among Councilmembers and the community. Billings City Council doesn't have that kind of capacity here.
- Mayor Hanel: Many of our citizens are not aware that it is very easy for us to talk about the increase in need for more police and fire, but when those personnel are increased, it also causes a need for increased personnel in other areas, i.e. Legal Department, Municipal Court, Fleet, etc.
- Tina: But they are taken into account in these numbers. Does include additional dispatch and Legal Department personnel. Have added about 5 employees over the last 5 years. They have been the major recipient of funding from the General Fund, but continue to have strong demand in that area that will need to be addressed. Believed that was included in these figures.

School District 2 does not plan to take any issues to the ballot in the coming year. They will be very busy with their new bonds. They may go to election in near future years because they have not met all of the teacher requirements and technological requirements. The City is poised to look at calendar 2014 elections and there are 3, May 6th, June 3rd and November 4th. June 3rd election will have the review of the Charter form of government, as required every decade. If it was favorable to modify the Charter, then candidates for the Charter Commission would be on the ballot for November 4th. Suggesting May 6th or June 3rd election at the latest. For May 6th election, cost is \$60,000 to be stand alone at that election. June 3rd primary and November 4th general election would be \$20,000-\$30,000 as a shared cost.

- McFadden: Doesn't the School Board hold election of officers on May 6th and it would be shared expense as well?
- Tina: Not certain. School District stated they would not be holding an election, the date is simply being held open.
- McFadden: That would save the City money though.
- Tina: Yes, it would.
- Astle: Before choosing a date, politically savvy people will choose the date that has the best chances for success, not based on cost. The general election in the Fall may be very crowded. Want it to pass – don't want to see fire trucks and police cars collecting dust.

- Tina: The November ballot would go beyond the time at which taxes would have been submitted to the County to go before the State. It is likely in our best interests to hold a May or June election to allow the City to include any levy in the taxes at the end of FY14, to be paid in FY15.
- Cimmino: Liked June 3rd election, along with Charter issue. Could concentrate efforts on dual issues for a “City” election. That makes sense.
- Tina: Certainly the call of the Council. Reminded the Council that State law prohibits City employees from advocating for the passage of any mission. Best that can be done is to educate the public. There were approximately 80 community events during the last public safety mill levy election. City employees can go as far as asking people to vote, but cannot tell them how to vote nor can any City dollars be expended for this purpose. Would like Council to approve appointing a citizens’ committee in the first or second meeting in January 2014. They would look into this issue; make a recommendation on an election date; make a recommendation on which option to proceed and move us forward. A “blue ribbon” committee can also fundraise, if it is a separate organization, and those folks can be advocates. Experience with these types of committees is that they are very helpful. The Library and School District had effective campaigns. Those campaigns run between \$100,000-\$150,000. Funds must be raised in order to run that kind of campaign. This is becoming the norm for this community.
- Cimmino: Was going to make this suggestion. The Library took 3 attempts to achieve approval. Same thing with Dehler Park. Even if go with the citizens’ committee or the “blue ribbon”, that is one way to get input, but the actual campaign consultant will cost money. Where would that money come from?
- Tina: My recommendation is that a “blue ribbon” committee would do that. The Foundation raised the money for the Library. The School District had a committee that raised their funding for their campaign. If Council wishes to proceed with that kind of campaign, it’s going to be up to an outside group to work on fundraising. Staff will still be involved in making presentations, but a “blue ribbon” committee would be very helpful.
- Ulledalen: Calendar issue is that there is not enough time with developing a new strategic plan and engaging the Priority-Based Budgeting. Not enough time to get all of that in place before the May election. Should wait. Want the community to see that Council has done everything it can to make certain the priorities are in line with community needs and wishes before asking for more money.
- Tina: Good points. Council and staff have held the first of three strategic planning sessions. The second one is December 19th. The final session will be a joint meeting with staff and Council in January. The consultant anticipates the plan will be prepared and delivered in February. The Priority-Based Budgeting begins. Will be working with the PBB to get strategic goals that are broad enough to cover most of the departments. During the last strategic planning, some areas were not addressed at all. This time we want to be certain that goals are broad enough to create significant markers for most of the City government functions, as this could affect all areas should there be reductions. It will have to be a very quick process to get through it that quickly.
- Ulledalen: Another calendar issue . . . there are \$10 million in undesignated reserves. The approved budget is about \$1 million deficit. In early projections, could sustain

operations through 2016-2017 and maybe even into 2018 with current level of reserves. Given that, it may make sense to draw off of savings until FY16 to go to the public with a levy increase after we have had time to digest the School District's bond, etc. The timing may be better to wait a couple of years since there is a savings cushion.

- Tina: The second scenario takes into account that reserve which buffers increases over time, taking into account that we are not anticipating growth. When you add growth, we increase pressure on those reserves. Cannot assure Council that there will not be another election in 2016. This is a window time. The Sheriff's Office is looking at an expansion of the jail. Are wishing to do so without a levy. The School District has 2 additional issues – additional teachers and technological issues that need to come forward. That may land on the 2016 ballots, so that is why we are looking at 2014.
- Mayor Hanel: The information presented in the Friday packet – is it available to the public online?
- Tina: It is online in the Friday packet on the City's website under Government heading, City Council, Friday Packet. This report is based on one set of assumptions and a change in the assumptions will subsequently change everything – too many variables to model all assumptions. If Council wishes to see different assumptions would be glad to provide it.
- Pitman: The question is, "What amount of money can the community tolerate?" Quick math indicates that over the next 10 years, scenarios 2 and 3 will cost between \$85 to \$100 million. Taxes will increase from \$16 to \$291 or \$335. That's a huge impact on a 10-year span on people's pocketbooks. That's on top of Park One, the Library, and the School District. People on fixed incomes, there is only so much money. Council speaks out of both sides of their mouths – need all of this, but the growth is only going to be minute. Have to have a huge amount of growth to compensate and adjust for this or will crash and burn. Top heavy. Reality is we need to get more vertical. Frustrated that predictions are growth at 1% and then 3.5% and then back to 1%. If the assumptions are at 2.5%, what does that do to the numbers?
- Tina: Can find that out for you, but the experience of this year shows that it is not predictable. 1% was a conservative figure and then to have the State come back with .07% increase in assessed valuation is stunning. The question is, "What kind of community do the citizens of Billings want?" If it is indicated they want to keep the public safety services at the same level, then that will mean that growth will likely be impeded. During annexation requests, review police and fire protection for additional area. Billings is now 40 sq. miles – on average we have 9 patrol officers policing a town this size on any given day. That's not many people. It is an issue for the citizens to decide. Have had the Police Chief look at our crime rate. There is a large perception of transient population in downtown area. Have had more issues with that population than ever before. Billings is becoming a more global community. We have people who expected employment in the Baaken area and for whatever reason, were not able to obtain employment there. We have people who are working in the Baaken, but their families are living here. A sales tax is an ugly word in Montana, but in some communities the sales tax supports the schools and property taxes are used for other services. We are caught in a maze and it is important to discuss options with the public. For those who think we can cut everything 10%, the reality is that this City has done an excellent job of segregating funding sources for various departments. Our airport, water and sewer

departments are all self-funded. Cutting 10% from their budgets has no impact whatsoever on the money that is available for public safety. Many departments exist on charges for services. Cutting their budgets will not have any impact on the General Fund. It is critical that we need to go to the community to find out what they want this community to look like.

- Ulledalen: One of the challenges with having 3 new Councilmembers is convincing them this is the right thing to do. Will need 6 votes to get this before the voters. (*Quoted a Councilmember's comment from a 2004 Billings Gazette article concerning Cobb Field.*) Council will need to be united to defend pay increases and decisions that have been made to sell this to the community. Think at risk to bring this up too early in 2014. Priority Based Budgeting is so critical to get everyone on the same page and getting the new Councilmembers involved in the Strategic Planning process.
- Tina: Would hope the entire Council would take this out to the public. This is not something staff can vote on. This is something the Council has to do. There was dissention in the School Board, but their levy passed. Would hope a substantial enough case that Council understands how critical this is to the future of the City.
- Cimmino: When Priority-Based Budgeting was reviewed, the consultant asked all 11 Councilmembers/Mayor what the priorities are and everyone unanimously said public safety is our number one priority. That's the beauty of remaining optimistic and planning accordingly. But I wonder if there is any way to split the difference. Instead of taking the levy before the voters in 2014, could it be done in 2015? The School Board could hold their election in 2016.
- Tina: Can talk to them about that, but think they are under pressure by the State to get their staffing levels to an appropriate level. They have only made partial progress toward that.
- Cimmino: Given that theory, from a gentlemen's agreement, it seems reciprocity would be in order here. The City held off their objectives so the School District would have an opportunity for a successful levy. Even though there was dissention on the School Board, it was the citizens that voted in favor of the levy.
- Mayor Hanel: It may be the year; it may be that with the reserves we have that the amount presented this evening may need to be adjusted. May need to utilize some of those reserves and back off on some of the requests. Looking forward to working with new Councilmembers. This Council takes public safety very seriously and as our City grows, so will crime.
- Bird: Council needs to step up and decide how and when to do a public safety levy election. Reminded Council that the public safety mill levy that was passed several years ago didn't go as far as hoped because of the Fire Department lawsuit. The City wasn't able to hire more firefighters and the Police Department is understaffed. Want to see an effort made to pass a public safety levy sooner than later to retain as much reserves as possible. Need to start educating the public for the need of additional levy monies for public safety.
- McFadden: Are being overly cautious and overly strategizing, want to put on May 6th ballot, give the voters an opportunity to vote for or against, and move on from there. Trust they will do the right thing.

- Ronquillo: Also does not want to spend down the reserves. Want to look at options for cutting spending money and staffing in the Fire Department could be handled differently to save money. Need to convince public to maintain public safety.
- Tina: Chief Dextras has looked at alternatives and discussions have been held with the union that was not well received. It would mean a major change in the Fire Department's operations. Can investigate some of those issues and report back if Council wishes.

The \$10 million is unbudgeted reserves and for each of the other funds, including the General Fund, there is a budgeted reserve to handle the "rainy day" scenario. For the General Fund it is 29% and it varies for the other funds. That was a resolution that was passed by Council some time back, setting those reserve levels. If in FY16, FY17 and FY18 the \$10 million in unbudgeted reserves was depleted then would turn to the "rainy day" reserves. Those reserves protect us down the road from having to borrow to meet payroll. Budgeted reserves are capable of doing that or to meet another catastrophe.

Recommended Council select a "blue ribbon" committee in January. Would be glad to place on the agenda again in January if Council would like to have a discussion about it. Would aid with seeking people to serve on the committee and outline the duties.

- Mayor Hanel: Good dialogue would like this item placed on a January agenda for further action, as a suggestion.
- Pitman: Agreed. Three new Councilmembers will be onboard by then. The next 6 months as we go forward will be like a whirlwind. The decisions made by the Council will have a huge impact on the future of the City.
- Bird: Want to promote public safety with a proactive, positive approach and not go broke in the process.
- Tina: Predecessors and City staff have made it possible to have this conversation. Not at a point where there will be a layoff of 100 employees. The City's bond rating improved last year and that is not happening in a lot of communities. Many positive things about Billings. This is proactive planning for the future while there is the financial capacity to do it.
- Mayor Hanel: No doubt this is a serious problem. If this was a community that had people moving out, rather than in, and we were experiencing vacant businesses and homes and there was no desire to live here, that would be much worse than what we are dealing with as far as growth. Need to handle as best we can to serve the citizens, efficiently.
- Tina: Will come back in January on this matter.
- Public Comment:
- Tom Zurbuchen, 1747 Wicks Lane, Billings, MT: Having a heck of time looking at this budget and always seeing 3% per year increased wages for Cost of Living Allowance. Locked in for 10 years. Social Security recipients have only received 6.8% increase in the past 5 years; that is 1.36% per year average. If goes before the voters as a levy to raise taxes so we can pay 3% per year for COLA. Will have to pay it no matter what Cost of Living raises, the unions should be able to go to arbitration and get it because that is why the City taxed its citizens. Explain why City employees need a 3% COLA increase and senior citizens are only worth 1.5%. That needs to be discussed before going forward.
- No other comments, public comment period was closed.

TOPIC #6	Council Discussion
PRESENTER	
NOTES/OUTCOME	

- Ulledalen: Forwarded a news article to Council today talking about Federal grants that have been given to a variety of communities that have been dealing with railroad issues. That is an issue where the City needs to step up. This is a railroad town. Have a unique opportunity to try to work with the Feds to do something to benefit our community in regard to railroad traffic. Congressman Daines is on the Public Works Committee, with the Obama administration trying to save Senator Baucus’s seat for the Democrats. It will be a hotly contested issue. There is a ton of money. We do not have a project, could talk about deepening the underpass; emission controls, there are any number of things, but this is an opportunity to go after the money. Had no idea there was help out there and there was access to that. Burlington Northern has excellent connections with the Obama administration. There is a Burlington Northern public relations official positioned in Bozeman. No reason to not work jointly to try to help with the railroad crossings downtown.
- Mayor Hanel: Agreed.
- Ronquillo: On Montana Avenue from 6th Street West toward the east. The railroad has put in 5 new railroad tracks and stocking more and more cars there. On the Laurel Frontage Road, from Moore Lane and continuing west to the underpass, they are banking cars on the south side of the track and they will be making another spur run there. The railroad is expanding. We know nothing about it. Need to have conversations with the railroad to learn what changes they are making that will impact the City.
- Cimmino: Is this something that Candi Millar and the Planning Department staff can look into and give Council feedback.
- Tina: There is actually a committee that is chaired by Greg Krueger of the Downtown Partnership. It includes City employees, Candi Millar and Tina Volek; representatives from the railroad and MDT. Not only are there new lines, but there is a lot more switching of cars. Mr. Krueger has had a discussion with the railroad about whether some of that can be switched to another location. It is being done across the tracks and we have had reports of 25 minute waits for the trains to shift back and forth. Can let Council know when the next meeting occurs and invite the Council to attend. People from various other groups are present and the meetings are public meetings.
- Mayor Hanel: A proclamation is before you, declaring December 4, 2013 as “Not In Our Town Day”. All Councilmembers are invited to attend events on this day.
- Bird: The voters did not approve the request to review the charter on the last ballot. That eliminates an option to discuss how to manage parking. After the first of the year, would like to begin discussions again about parking. Need to keep on the radar.
 - Asked City Administrator Volek if she had an opportunity to discuss with Dave Mumford, Public Works Director, the street sweeping situation.
- Tina: Yes. It must have been an unusual circumstance unless there were cars parked on the side of the road. Would have made a difference. Councilmember Bird had stated there

was a street sweeper truck running down the center of the road. That is not the norm. If there are cars parked along the street, the sweepers move around them.

- Bird: Requested that Mr. Mumford or Ms. Volek contact the gentleman that voiced concerns.

Commented that she drove down Avenue E and 17th Street West, where new apartments were built and was very impressed. It looks like a great addition to that neighborhood. A lot of the properties along there are very well kempt. The development was well done.

TOPIC #7	Public Comment on Items not on the Agenda
PRESENTER	
NOTES/OUTCOME	

- Troy Calhoun, 4243 Arden Ave., Billings, MT: There was a neighborhood meeting with a builder on a zone change request. All the attendants at the meeting rejected it. Would like to share the reasons for the rejection with the Council. The developer wants to change Controlled-Industrial zoning to Multi-Family. It is right next to Highlands Project. Want to bring awareness to the Council about where it is located and whether that is an adequate area for these homes. There are no storm drains and only one access. It is among County islands. Has had discussions with the Mayor about contamination and have DEQ information concerning that.
- Mayor Hanel: Very happy to receive the information and follow the process for distribution to the Council.
- Ronquillo: Attended the meeting. There were a lot of questions asked of the builder/developer, but he didn't have the answers. A couple of them were about a small street in the area that is not designated for a lot of traffic. Don't know if the City will redo the street or if the developer will be required to put curb, gutters and sidewalks. There are no storm drains in that area; there was some discussion about that. Can understand why the neighbors are upset – there were no answers. The presentation that was held earlier this evening stated there does not need to be 2 accesses for some housing developments; however the neighbors are saying there does need to be in this case. Hope the City/County Planning Department takes a strong look at these issues. The residents have a lot of questions that are totally unanswered. Want it to be safe and like the infill idea. Must have answers for the neighbors living around this development.
- Mayor Hanel: Is this the area where there was concern about traffic around Optimist Park on Hallowell?
- Ronquillo: The developer basically threatened the residents that if they didn't approve this, then warehouses and business buildings would be built in the area. That was a disappointing reaction. Agreed with residents that answers are needed.
- Mr. Calhoun: Explained the history of the property wherein a previous owner removed / vacated access to the property (Madison Avenue) which ran from Orchard Avenue. Now traffic goes through Arden Avenue. Concerned about whether the current sewer system can handle the addition of the multi-plexes. A French drain may not be suitable, such as was the case in Kings Green Subdivision.

- Bird: Ordinances may require minimum standards; however, it doesn't mean that, as a Council, advocacy cannot be done for the citizens of our community. The one-way in and one-way out can be problematic in some cases. There is a process that Council may place conditions for approval on developments.
- Cimmino: Agreed, but mentioned that State law indicates conditions cannot be placed on a zone change application. There can be with a special review and asked for validation from the City Attorney.
- Brent Brooks, City Attorney: Correct. The Planning staff would need to present to the Council. Unclear whether this is a special review, subdivision approval or zone change. It sounds like it is a zone change. Would work with the Planning Department. Not certain whether this is scheduled to go before the Zoning Commission or already has gone before them. Council is ultimately responsible for granting or denying a zone change or special review. A zone change cannot be conditioned; a special review can be. Each of those land use actions have different criteria to apply and make findings of fact.
- Mr. Calhoun: One problem with development – the developers want to develop their area, but not enhance the existing area.
- Pitman: Invited Mr. Calhoun to attend and speak at the public meetings. There is a fine line contacting everyone on the Council. Needed to publically disclose that there was an ex parte communication and have had discussions with Mr. Calhoun. It is more important that he speak out publically in this forum, on the record.
- Walt Donges, 941 Constitution Ave., Billings, MT: Represented the Billings Human Relations Commission. Introduced members. Commission is represented by the elderly, disabled, Native Americans, African Americans, and LGBT. See opportunities to review EEOC statement in light of recent public employee's comments. City has numerous pages of rules regarding e-mail usage. (*Brochure distributed to Council.*) EEOC statement is dated. (*Provided a copy of EEOC statement from PPL, Montana.*) Noted the simplicity of the wording of the PPL, EEOC statement. Billings Human Relations Commission recommends changing the EEOC statement in conjunction with the National Human Rights Campaigns New Municipality Equality Index. MEI is similar to the Corporate Equality Index that most Fortune 500 corporations currently abide by. Each corporation and now municipalities are being rated based on their LGBT friendliness. In 2013 Billings received a rating of 21; Helena – 48; Missoula – 100; Great Falls – 22. Seven points for Billings were because of the appointment of positions to the Human Relations Commission. Two bonus points on city leadership's position and support for LGBT equality. The booklet distributed has detailed information on MEI and how it is utilized. The intent of the project is to recognize progress toward full equality on the State and Federal level. Research has shown that municipalities will move first on passing non-discrimination ordinance that later serve as important models when inclusive statewide laws or corporate policies are under consideration. Corporations have led in providing equality for the employees for a number of reasons. (*Continued by outlining reasons.*) Cities with higher levels of LGBT communities have higher levels of income, life satisfaction, housing values and emotional attachments to other community and higher concentrations of high tech businesses. The MEI scores review municipalities on nondiscrimination laws. The MEI is a process to rate each major municipality and begin a process of review to create a safer environment for all citizens. The Human Relations Commission joins the Council in celebrating the "Not In Our Town" 20-year anniversary.

As the largest city in Montana, is it important that Billings be a leader in inclusive civic engagement and diversity. In the near future a steering committee will be formed of invested partners and community members to start moving forward. The Human Relations Commission offered its services to Billings to reach its goals and asked for the opportunity to help.

- Mayor Hanel: Due to recent actions by a Yellowstone County public official, it has caused a lot of personal grief. This is not how we do business.
- Mr. Donges: Twice in the last 8 months there have been radio personalities come out against the LGBT community. Those people have a voice in the City. In reviewing MEI and the score Billings received, it is specifically credited to this Council. That is moving forward.
- McFadden: Read an article about a town in Colorado that passed a nondiscrimination ordinance. The article featured a gay couple that wanted to get married and have a photographer. The photographer refused to serve them quoting religious beliefs. The couple took him to court and destroyed his business. Is there a way to protect people on both sides of an issue?
- Mr. Donges: Believed there is always an opportunity to do things differently and better. One way is to inform ourselves. Faith-based organizations may have some resistance and in the private sector. The term “religious preference” versus a “sexual orientation”. A preference is something one chooses. A sexual orientation is something you are given at birth. So talking in terms, must be very careful. Want to look at what is best for the entire community down the road. Be proactive to avoid pitfalls.
- Bird: What employers in the community have equality policies for their staff?
- Mr. Donges: United Way; PPL, Montana; Wal-Mart will be starting benefits in 2014; Wells Fargo, just to name a few. There are a large number. We look to equality; to give everyone a full voice; that’s diversity.
- Cromley: City of Billings, EEOC handout –why some of the print was in “red”.
- Mr. Donges: That was for emphasis only. The City’s statement basically has race, color, creed, but will recognize Federal and State law. Federally, benefits are offered to same sex couples. The military is now recognizing LGBT and the IRS is now taxing married gay couples the same way married straight couples. That equality is what is searched for and gives LGBT a full voice and gives diversity. The Billings statement was brought tonight to shed light on the wording and that of PPL to demonstrate how simple, short and inclusive the EEOC statement can be.
- Bird: The City established a precedent 20 years ago that this community was not going to accept or tolerate hate against any group in our community. This is a population in this country that it is appropriate to discriminate against. Hope this time next year the community will step up and honor what was done 20 years ago and continue to move this community forward. The City has some very progressive, major corporate employers that are leaps and bounds ahead of the City. This is part of our cultural values and community values. The lifestyle that people are looking for, it is another thing to consider in terms of our ability to continue growing as a positive, livable, wonderful community.
- Erin Thompson: Challenged Councilmember McFadden if the couple that were being discriminated against were black, would that be okay? If your answer is, “no.” Then there should be a conversation about why a non-discrimination ordinance is important.

- McFadden: Believed there is no religious boundary for discriminating against people because of the color or ethnic background. But defended, vehemently, the fact that people of religious faith should have a choice on whether they want to deal with the homosexual community. If a wedding photographer does not wish to take pictures of homosexual couples because their relationship is contrary to religious beliefs, the photographer should be allowed to refuse service. The photographer should not be drug into court and sued for everything he/she has for that refusal of service due to religious beliefs. If the photographer refused service to someone because they are black, there would be a legitimate lawsuit against the photographer. That's where there is a line drawn.
- Mr. Thompson: Would be happy to have a conversation off line as this is not a proper place to discuss further and invited Mr. McFadden to join in the celebration of the 20th anniversary of "Not In Our town".
- McFadden: Asked the time and location of the celebration.
- Mr. Thompson: Will take place at Nova, Center for the Performing Arts (formerly Venture Theatre) on Wednesday, December 4, 2013, beginning at 6:30 p.m. The "Not In Our Town" documentary screening will play. It explored a very small portion of the community's response, which was the labor unions response to a house that had been graffitied, to realizing there was a much larger story in Billings. It was about how government, faith and labor and business were coming together to take a stand against hate and intolerance in this community. The documentary was aired in 1995 and it sparked a world-wide movement. The Mayor will issue his proclamation. The film directors will attend. The National leadership gather of "Not In Our Town" communities will be in Billings of June 2014.
- Cimmino: A year and a half ago she checked out the film and highly recommended it for viewing by everyone. Remembered the brick throwing event that sparked the community's support of the Jewish family. The Billings Gazette printed menorahs for citizens to place in windows to show support. The message is still critical today.
- Skip Godfrey, 4146 Clevenger, Billings, MT: Retired in 2001 and at that time decided to get involved in community activities. Moved to Billings in 1980 and fell in love with his partner. They have been together for 33 years. He is one of hundreds of LGBT in this community. Same sex marriages are something everyone will observe in their personal lives or professional lives and perhaps in their families. LGBT are people who have the same rights to equality as everyone else. Saluted many of the Councilmembers on their position for equality for all. Urged Councilmembers and members of the community to not look through narrow religious text, but as a simple question of humanity equality. Offered to speak with anyone, individually.
- Liz Welch, 225 Avenue D, Billings, MT: LGBT advocacy coordinator for Fair is Fair in Montana. There are a lot of questions that come up whenever working on equality issues; whether religious exemptions, etc. Right now the organization is working on the non-discrimination ordinances in Bozeman, and Butte. Have worked on the ordinances in Missoula and Helena and those passed. Invited anyone with questions concerning a non-discrimination ordinance to contact her.
- Bird: Asked for Ms. Welch's contact information to be forwarded to the Council.
- Ms. Welch: Would provide contact information and offered to keep Councilmembers informed about progress in other communities. Ninety percent of Fortune 500 companies are fully accepting of LGBT equality. In Billings, there are over 70 businesses who have

signed statements of support for equality and fairness. There are a lot of faith leaders, individuals and organizations that are supportive. Works on relationship recognition throughout the State of Montana, as well as the non-discrimination ordinances and across the entire State there is a broad-based support for it.

- Cromley: Is someone proposing a non-discrimination ordinance?
- Ms. Welch: There is a lot involved in drafting an ordinance. The organizations that are doing it, are trying not to spread their resources too thin or move too fast. Bozeman is launching their non-discrimination ordinance next week. There is probably about a 2 or 3 month cycle in which they are working on it. Butte has spontaneously, through a local P_____ flag? Are launching theirs. There are a couple of other communities in the State that are talking about it. Personally, because Billings is her hometown, the discrimination she has heard are that people have been fired because of their sexual orientation and evicted from residences. Do not like to hear this, “Not In Our Town” includes those kinds of things. Non-discrimination needs to be community-based. There should be a balance of government, businesses, faith leaders, and the community-at-large. It is communication that is starting.
- Mayor Hanel: Our non-discrimination ordinance will be better than Bozeman’s, Missoula’s, and better than Butte’s. (*Applause*)
- Ms. Welch: There is a natural fit for “Not In Our Town”, because when the values that are instilled in that statement, it is talking about broad-based discrimination. It is talking about valuing human life and human rights and the right to be safe in your community.
- Cromley: Reviewed PPL’s EEOC statement and it appeared clear. Compared the City’s EEOC, seemed to be a very simple thing to amend the statement.
- Ms. Welch: Seems like it should be a slam dunk to amend the EEOC statement.
- Cromley: What else are you working on when state ordinances are mentioned?
- Ms. Welch: Non-discrimination ordinances put in place protections for LGBT individuals. There are protections throughout the country for race, sex, and age. But in Montana you can be denied housing, employment and access to public accommodations, just because of your sexual orientation, gender identity or gender expression. Therefore, a non-discrimination ordinance would protect every citizen in the City under those types of circumstances.

Additional Information:
