

City Council Work Session

5:30 PM
Council Chambers
March 3, 2014

ATTENDANCE:

Mayor/Council (please check) x Hanel, x Cromley, x Yakawich, x Cimmino,
x Pitman, x McFadden, x Bird, x Swanson, x McCall, x Crouch, x Brown.

ADJOURN TIME: 9:05 p.m.

Agenda

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| TOPIC #1 | Community Seven |
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- No presentation
- No public comments

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| TOPIC #2 | Solid Waste Rate Study |
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- Jennifer Duray: Study conducted over past several months. This followed a Solid Waste Master Plan. Goals – to insure that rates are adequate to cover our costs. Also assisting the current service that we have. After we make sure that we have the rates in place, we make sure our costs are distributed to appropriate parties and be able to defend rates. Here tonight to talk about opposed rate increases. A brief overview of the Solid Waste condition for Council Members who are new. Solid Waste is a division of the Public Works Dept. Are self-supporting in our enterprise fund. Have not received any general fund revenues. All revenues are fee based. 64% of those revenues are collections; the other 36% are from the landfill. Have 64.5 full time employees, and 14 seasonal employees to staff the operations. A rather large fleet of 90 pieces of equipment with a replacement cost of nearly \$18 million. Pie chart shows current budget. This year's FY14 budget is \$11.9 million. 75% is from operations. The other 25% is from capital budget. Divide operations into two functions: have collections and landfill. On the collections side, collect 105,000 tons annually. 42% is from residential waste. That includes yard waste. The other 58% is commercial collection. Also have about 256,000 tons delivered to the landfill annually and 2/3 comes from the City of Billings. The other 1/3 is equally split between other counties and Yellowstone County.
- Bird: What is a roll-off?
- Jennifer Duray: A roll-off is part of the commercial collection. Several items driving this rate increase. First is, we have been using reserves to balance our capital budget. This year, will be using \$1.8 million of reserves to pay for capital. This is cash that we have in excess of our minimum that is unallocated to anything. In FY13, had over \$8 million in reserves. Have been spending that

down. If we continue on this path, we would be below our minimum recommended balance by FY15 and then eventually go negative into FY18 if we didn't have any recovery increase. Have several other cost increases that we have been absorbing. Vehicle cost is probably the biggest one. Our vehicle cost budget is nearly \$1.9 million. This is a significant part of the budget. That includes fuel, parts, tires, and labor. While inflation has only risen about 2 ½%, our fuel budget has risen about 8%. The other maintenance and parts budgets have increased by 4%/year since 2011. Also have been receiving General Fund cost allocations averaging 4%/year, property insurance of 10%/year, and our BOC rent where collections are housed. That has been increasing at 6.5%/year. Have a number of anticipated expenses coming up. Will be requesting a few increases in the FY15 budget. Are not one time expenses that would be incurring. The ground monitoring and the closure and post-closure costs are regulatory items. The containers have a current budget of \$200,000. Requesting an increase of \$50,000. Current budget is less than it was 15 years ago. We have been reducing other items to absorb the costs. Will also be asking for 2 additional landfill maintenance workers. Have had a few staff increases in Solid Waste over the past few years on the collections side as we have added new routes. Especially the yard waste program. Have not added any additional staff on the landfill side. Removing materials from the landfill for reuse and recycling. Couple of extra employees would help in the effort to add years to the landfill, and increase efficiencies. Are asking for additional dollars for outsourcing the household hazardous waste contract. Right now just an estimated number. Biggest item driving the rate increase is recycling. Still have the yard waste program that was implemented in 2005. Steadily increasing over several years to get that fully up and running. Added 5 new trucks to that program and 5 new drivers. Have ongoing costs but never did increase rates. The trucks and the containers were purchased with reserves, but now to the point where we're looking in a few years where we are going to have to start replacing the trucks. That is part of this rate increase. Have also had other recycling efforts. Additional e-waste, additional diversion efforts out of the landfill. Trying to keep pharmaceuticals out of the landfill. All great programs. Bottom line, recycling does cost money. Last item, driving the rate increase. We are in an investment cycle right now. Have enjoyed a number of years of minimum capital improvements of the landfill, but, have 3 big closures coming up. Also have a \$15 million expansion scheduled. This project is 7 years out so not necessarily impacting rates right now. Cognizant of the fact that is out there and make sure that our rates are sustainable before we get to that big project. Going to present to rate options tonight: First option would be increasing the rate in year one to get close to where we need to be. Option 2 would phase those rates in over the next three years. Both options use a little bit of reserves up front. Option 2 uses more of those reserves. End of the three years, both options get us to where we need to be as far as our rates. They would cover our O&M and our capital. Option 1 would leave a little bit of excess reserve balance going into that big \$15 million project. Option 2, uses up all reserves. Does not dip into our minimum reserves. How does that impact the actual rates? Residential rate is

\$7.77/month. That would go to \$9.78 for Option 1. Annual increase would be about \$24/year, \$2.00/month. Since we do weekly pickup, would be looking at an increase of 46¢ per household. Following years would be minimal increases just for inflationary since the big increase was in year one. Commercial, we have found is actually paying for itself right now and are recommending no increase. Minimal increases in future years for inflation. Roll-offs needs to be adjusted. Recommending that go up \$16.42 in the first year, and minimal increases after that. The landfill tipping fee under Option 1 would be an increase of \$1.43 for City of Billings. Minimal increases for inflation after that. Are recommending eliminating the Yellowstone County rate and then just have a City of Billings, and an out of City of Billings rate instead. Other towns and counties rate go from \$17.62 to \$19.52. These rates do not have franchise fees so would have a 5-10 franchise on top of all this that actually goes to Solid Waste.

- Tina: Franchise fee goes to the General Fund.
- Jennifer Duray: Option 2 rates is the phased in option. That would take the residential rate from \$7.77 to \$8.55/month. This is an increase of \$9.36/year or 18¢ per week. Commercial does not change in this option. Would still be no increase in year one and minimal thereafter. Roll-offs would be the other one that is phased in. That rate would go from \$109.52 to \$116.70, a \$7.18 increase. The landfill tipping fee didn't change in Option 2 either. Left this the same as in Option 1. Have so many entities talking to us about coming to the City of Billings. Want to make sure that our rates are the level that they need to be. Quick comparison of how our residential collection fee compares to other areas in the region. Right now our current rate is \$93.24/year. If we went to Option 2, it would be \$102.60/year. Would still be lower than anybody else in the region. Kalispell is the next lowest at \$111.00. Option 1 would be higher than Kalispell. Not sure of increases anyone has projected for this year either. Our fee not only includes the regular residential pickup, it is also the yard waste. Special collection sat out on the curb. Some communities charge extra. Gives an idea where we are. Tipping fee comparison, even with the proposed increases was by far lower than anybody else surveyed.
- Bird: What is the tipping fee?
- Jennifer Duray: That is the per tonnage fee that we have at the landfill.
- Pitman: Instead of the residents of Yellowstone County bearing the cost, is there a legal reason we can't increase these fees of the out of county people to actually cover these costs verses current residents?
- Jennifer Duray: Yes. Have to be careful of making sure that each user pass is paying in some way. Look at it as more of a bundle cost for residents for the City of Billings. To insure that our rates are legally defensible, could get into trouble if we increase other rates in order to keep a different user cost rates low.
- Hanel: Out of town area rates don't reflect the fact that locally, we are providing employees the trucks, the equipment, the maintenance, and so forth to go out and pick up the solid waste, whereas those coming in from outside the area, they are providing their own vehicles. We are not involved in that in any way. Thinks out of town rates are fair. Some of them drive a great distance.

- Jennifer Duray: Also recommending few changes in how we deal with customers out at the landfill. With Yellowstone County, we take their estimated tonnage that they project is brought to the landfill. We multiply that by the tipping fee. That is what Yellowstone County pays us directly each year. They turn around and assess their own property owners. This year it was \$35 per household. Proposing we charge them for their projected residential customers who haul their own garbage only. We would charge everyone else, all private haulers directly rather than charging Yellowstone County.
- Tina Volek: Clarifying, what they are doing is charging property tax. This would actually mean for the residential customer, there would be a reduction in their property tax on the bill. Then they would pay a hauler to bring in their waste as a separate fee. Whatever that hauler charges. Their actual residential property tax bill on this would go down, because that is going to include the charge that the County has estimated in the past.
- Brown: Yellowstone County right now, a lot of people are paying haulers, and they are paying a tax on top of that? So whatever we are proposing would drop that tax and they would pay only the hauler?
- Dave Mumford: Small fee on assessments. Then the haulers would be charged on a monthly basis for what tonnage they bring in. Yellowstone County residents would then just pay the haulers for their assessment and that would add the tipping fee automatically into it. The County is struggling, especially the residential, commercial, what the fees were. Are they equitably charging their residents? This would be simpler for us if we wouldn't be trying to carry them because instead of once a year, we would get a monthly payment from them.
- Cromley: The increase the haulers are going to charge the residents would be pretty much offset by the tax decrease that they would receive.
- Dave Mumford: To a large extent it would. It would be a much smaller fee than \$35. That would allow the Yellowstone County residents to come up to use the landfill as they want to.
- Cromley: When they go to the dump, they are not going to get charged if they are County?
- Dave Mumford: They don't now. Will ask City/County to keep tabs on it. There would be no fee to them when using the landfill.
- Cromley: Have you calculated yet what you propose the district residents would pay to bring their own garbage?
- Jennifer Duray: Rate passed onto the County is about \$167,000, including a franchise fee. The rate they ran, was somewhere around \$15.
- Tina Volek: Council Member Cromley is part of the Solid Waste Committee for the County and we have been working with them and the haulers to put this into effect. This also means that the callers are going to be responsible for determining what portion of theirs is a commercial load, what portion is a residential load. In the past, the City has had to rely on a hauler telling us what portion of the load is commercial, and what is residential so that we can charge the County for the residential load. This will put an end to that and the haulers

will manage that process as they do most other places with commercial and residential customers.

- Pitman: What is the point we ask people if they are City or County when they come to landfill? Are we basing that on their license plate? How do we determine that?
- Dave Mumford: We ask so we can understand how many loads are coming. Next year, will look at estimating how much they will be bringing and how many tons to come up with for tipping fee. Take it on faith. Looking at maybe giving sticker for each car. Concerned people may show up without \$5 and where do we end up with that. Not wanting to cause friction with Yellowstone County to say that we will charge a minimal fee.
- Dave Mumford: One reason why we put it on the waste/water bills. It is not a tax; it is a fee for services.
- Mayor Hanel: Do you think this change as proposed with the County fees will prevent some of the illegal dumping?
- Dave Mumford: Hope that it doesn't get worse. We don't believe it will. People can still come and use the landfill and still bring things even late at night and dump at gate and then we haul it in in the morning. Yellowstone County has a problem with a lot of waste. They take care of it quite well themselves too.
- Mayor Hanel: Does your camera at the gate show that type of activity?
- Dave Mumford: Yes.
- Jennifer Duray: Also proposing something similar from other counties instead of having 14 different landfill agreements right now. Other than having those, we would just have agreements with the private haulers. We have heard from a number of entities, mostly in Wyoming if we will take their waste. If Council wants to proceed with allowing out of state waste, we did come up with a fee. Proposing a per time rate of \$23.42. Have a standard franchise fee on top of that and we would suggest a 6% surcharge. Similar to the Lockwood agreement and future Conoco-Phillips wastewater agreement. The total out of state fee would be \$26 per ton. \$2.58 would go to the General Fund.
- Pitman: Can we charge even more to out of state haulers?
- Dave Mumford: Tried to stay consistent what we charge for other users locally. Don't know if there is a specific number that would be there. If it gets up too high, they could argue that you are charging disproportionately. Whether it was 6%, 8%, or 5% that is Council's prerogative. Chose 6% for the others.
- Pitman: Good deal for them coming from out of state. They have chosen not to build their own landfills. Does put a strain on our facilities and shortens our lifespan. It should be fairly substantial. It is our land and our capital investment. We should not be sacrificing our land and not get a premium for it.
- Dave Mumford: Reality is 11% charge and 5% franchise fee is already being charged. And then 6% surcharge on top of this.
- Brown: How does rate compare to Cody, Wyoming for somebody hauling from Wyoming?

- Dave Mumford: Believe Powell was in \$72 ton range.
- Dave Mumford: Powell is very interested and Sheridan and Cody have shown interest in coming here. One of the problems is that Powell is very small. Talking about one semi load every couple of weeks. Is funding towards the General Fund. Took into account in the study taking in Livingston, Clark County, and the northern part of Wyoming. Still are in the 70-80 year range. With this, would have some extra cost to start buying more land to help offset those coming in, and to expand the landfill in the future.
- McFadden: Have enough land to last century?
- Dave Mumford: About 70-80 years.
- McCall: How much tonnage does a large truck carry?
- Dave Mumford: Powell – 10,000 tons/year – each load about 1000 tons.
- Bird: Own residents paying their way?
- Jennifer Duray: No. City residents would pay their own way over the next couple of years. No way subsidizing anybody else. The rate that we came up with for the out of state, the \$23.42, is about \$4.00 higher than the rate that we proposed for other counties in Montana. That rate takes into account land, the extra fee for the state, and a little bit of a decrease for the landfill. The 6% surcharge is to be consistent. That would be Councils discretion as to what that would be. The \$23.42 is to keep us legally defensible.
- Bird: Why don't we charge out of county rates the same regardless of state of origin? We have the land; we have got to buy the land. Are providing an incredibly affordable service for these communities whether they are in state or not and would like to understand what the thinking is behind not just having one fee for out of county.
- Jennifer Duray: Not encouraging someone trucking it here from Iowa and Nebraska. And how much do we want to open this up? We have to pay a fee to the state on how much trash we collect. Do have to pay more for out of state. That is the only extra cost that we actually would incur for out of state.
- Dave Mumford: This would be a new customer out of state. Could have one rate. We just try to stay consistent on how we have done it in the past.
- Bird: What is the cost that other Montana counties are paying in comparison to what your projection is for the out of state?
- Dave Mumford: \$19.42 is what we would charge the other counties and cities within Montana. Out of state wasn't in our original projections for our landfill. Plus with the cost of paperwork and the extra cost for tonnage.
- Tina Volek: The \$19.42 would be subject to the franchise. Which is 5%?
- Jennifer Duray: The rate would be \$20.50 with the franchise.
- Tina Volek: So it would be \$20.50 as opposed to \$24.59. We would not have the surcharge for a Montana county.
- Dave Mumford: We have not ever charged the surcharge on counties that we have already been doing business with.
- Bird: What is the state fee we pay, and is that only what Montana counties pay?

- Jennifer Duray: Doesn't recall what percentage is, but it is higher for out of state.
- Bird: So in state and out of state pay that fee.
- Jennifer Duray: Yes
- Dave Mumford: Have a fee we have to pay per ton for everything that comes to the landfill.
- Jennifer Duray: Where do we go from here? Looking for some direction, feedback for what kind of rates we do bring back to you. Will bring those back in April at a Council meeting. Will have a public hearing and bring a resolution for adoption at that time. If we do make changes that we are recommending billing the private haulers directly rather than having agreements with the other counties. Will need to amend city codes so we can bring that back at the same time. This would give us time to negotiate the agreements with Yellowstone County and the private haulers in May and then would bring back those agreements in June.
- Mayor Hanel: The options of the rates you gave this evening, after we hear public comment and so forth, it might be that you would have both of those options on the agenda.
- Tina Volek: The original recommendation from Public Works/Solid Waste was Option 1 which was the single upfront cost. Also share the availability of Option 2.
- Mayor Hanel: When was the last rate increase, and how much did we go?
- Jennifer Duray: Doesn't recall how much but increased rates two years ago.
- Dave Mumford: The methane gas that is recovered and the 15% go directly to the General Fund Public Works. Solid Waste doesn't receive any of that directly.
- Pitman: Option 2. It is always easier to phase it in over time. Does the surcharge for out of state go directly to the General Fund? Is Public Works not part of the ERP? Can you explain a little more?
- Jennifer Duray: Two parts to the ERP. The funding portion and the part of the ERP that determines how often you can replace vehicles. We don't actually fund a portion of the ERP annually. We keep that within Solid Waste. We have been purposely spending that money. Having that much in excess reserves is a double edge sword. It is pretty hard to ask for a rate increase when you have that much. We have been spending that down to get to the level that we are supposed to be.
- Bird: In terms of your ability to operate, and the service you are providing, what are the pros and cons that we need to understand by going with Option 1, or Option 2.
- Jennifer Duray: The difference will be in 7 years when we get to the \$15M expansion. We will bond for that but we will need to be able to increase rates at that time to be able to pay for that project. It is a matter of do we set aside some of these excess reserves now to level off for that project? Or do we spend them all down now? We are going to have enough to operate under either option.

- Bird: Distinction is whether we start saving now, which is what we would do with Option 1, to plan for the \$15M expansion. By going with Option 2, we are not saving any money. We will have to dip into reserves.
- Dave Mumford: Correct. We will have to have a larger increase in the future where we can try to minimize that to some extent by saving now and hold some reserves, knowing that we have that coming down the road. Do we plan ahead or do we just move forward?
- Bird: It is pay now or pay later.
- Brown: Recycling, need to add people at landfill? Is there a return for us, the recycling part?
- Dave: No, just need more people to operate. Recycling is strictly a community service. It does save not to have the yard waste. It does save to keep the landfill longer. There is no cost benefit for us.
- Brown: Do we charge for disposal of household waste?
- Dave Mumford: It is in the rate that we charge. We don't have a special fee for the e-waste which we help offset costs a few times a year. All of this is in the monthly fee that you pay between tipping and collection. Recycling is absorbed within that proposed up to \$117.00/year for collection.
- Brown: That would all be included in the waste that is coming in from out of state in their fees?
- Dave Mumford: We would not be taking their hazardous waste. Strictly taking the construction and normal household waste.
- Brown: In the graphs where it is showing Helena, Missoula, why are we so disproportionate from that?
- Dave Mumford: We own the landfill. That is a great asset. Our distance to haul is less. We have an exclusive in the city which helps keep our costs down per collection. Most of the private haulers/communities are competing within it, so you might pick up two on a block and then not pick up for a while. Most of the other communities don't have their own city collection. Bozeman just had to get a new landfill. Have very efficient operators. The residential operators amazingly are out there picking up your black 90s. They pick up between 1,000 and 1,100 barrels a day per truck. Why recycling is so difficult for us. Pay Union wages, but what we do is done extremely well.
- Dave Mumford: We look at it very closely. What does it take for us to break even? It is difficult to operate a business where we are not allowed to have a profit, not allowed to lose money, but that is the scenario. Jennifer has done a very in depth analysis of what it costs for us to operate and to be financially sound into the future.
- Brown: Option 1 where we just do it right now, and the Option 2 where we are stretching it out for three years. Are we going to have to raise it at the end of three?
- Dave Mumford: Will continue to always have some minor adjustments. At the end of the 3 years, we hopefully wouldn't have the big significant jump again. The 2 ½% is what we are anticipating. What will happen if we don't do that and

go with Option 2? In the future when we have to go for that bonding we have to have funding in the bank. We have to have reserves. Are going to have to have a bump to try and make that up?

- Brown: Does not make sense.
- Dave Mumford: If we do Option 1, we will keep some reserve. Because if we go toward that \$15M bonding, we have to have a reserve amount to be allowed to bond. If we do the three year phase in, we are going to burn down our reserves. When we get ready to bond, we are going to have to raise rates to pick up that reserve that we are going to need to bond.
- Brown: Will we go back to the public again and say we are going to raise rates at the end of those three years.
- Dave Mumford: At some point we will. It would about 6 years out before we are actually doing the \$15M.
- Pitman: When we get to the bonding, why can't we look at the out of state and the surcharge being set aside? How do we do that so it is not all out of the General Fund?
- Dave Mumford: I understand. Discussions back when we were looking at revenues a year ago, the landfill is a place where the City Council can pick up some revenue to help the General Fund. As far as the out of state or even out of Billings, if you look at the pie chart, the majority of all of the trash is from Billings. If we started taking northern Wyoming, we are talking 2-3% increase in load comparably to Billings. There is such a small quantity compared to Billings.
- Swanson: Is hazardous waste City sponsored?
- Dave Mumford: Yes.
- Swanson: Where do put it?
- Dave Mumford: We contract with a company out of Washington State. That material is cataloged, and taken to eastern Oregon or eastern Washington and buried. We have ownership of it for eternity. We are looking at RFP to try to give better service and to cut down on what is dumped down toilets. That is the \$150,000 estimate to contract it out and let somebody else do it on a regular basis. We looked at us doing it, but by the time we build a facility and hire employees, we felt it was not cost effective. Think the private sector could do it more efficiently for us. People bring it all year long; we are now storing it and trying to figure out what to do with it.
- McCall: She and Rick Devore from the Parks Board, have been talking about increasing recycling for residents in Billings for a long time. We met and invited Scott Berens. He is the owner of Earth First. He will discuss how we as a City can partner with private sector to increase access for recycling. Particularly glass and plastic. Met with Dave Mumford. Council considers supporting recycling pilot project with Earth First or other vendors that would be interested. There are four recycling bins at Albertsons around the city. Albertsons and Target are interested in doing more. Right now they are recycling glass and sending it to Denver on deadhead trucks. If we partner with the private sector, we might be able to do something that would provide more access. Would need

a couple of more bins to recycle aluminum, newspaper, glass, and plastic. About \$10,000. Would be our part of this partnership to provide the bins. Would appreciate support from the Council.

- Yakawich: Recap what we'll ask our residents to pay for Option 1 and 2.
- Jennifer Duray: Option 1 would be \$9.78/month starting FY15 (July 1). That is a \$2.01 increase/month. Option 2 would be \$8.55/month. That is a 78¢ increase.
- Pitman: That would be for the first year, and then Option 1 has an additional 25¢ /month added onto that every year after that?
- Dave Mumford: That is the annual small increase. Option 3 would have 88¢, then 97¢. That has a rate increase needed plus some inflationary. Instead of being 25¢, it would be 88¢.
- Pitman: Great idea to look into. Another option is not only increasing fees, but extending the life of our landfill. Glass and plastic is taking up space in our landfill. Some of that money through the surcharge is actually coming to the General Fund.
- Public comments:
 - Scott Berens: Owner and operator of Earth First. Expand on Council Member McCall's comments about recycling. Right now we run routes all across town. We employ 6 people. Currently recycle paper, plastic, aluminum steel cans, corrugated cardboard, plastic bags, and then glass. Expanding the life of the landfill and helping out with the private sector at the same time. The bins will cost around \$10,000 a-piece. For a small business it is hard when you have to employ people, pay taxes. It takes a while to recoup the costs on a \$10,000 bin. Would be happy to do the leg work in between pulling the bins, processing the material, marketing it, and selling it. The city has been great to us. Have a link on their website.
 - Mayor Hanel: Expect that we are going to have conversations in the future with recycling. Any comments on the presentation?
 - Scott Berens: When you look at the graph from Missoula to Bozeman, and all the rates across the state for garbage. We are the lowest. If the rates for garbage were higher, the incentive to recycle would be higher. Bozeman is a prime example. Tipping fees motivate the businesses. Commercial is a bigger chunk than residential for garbage.
 - Bird: How long have you been in Billings; and how have you seen your business grow since?
 - Scott Berens: Nine years. Started one truck and one trailer and one customer. Now have around 1800 customers between residential and commercial. Recycled 1,000 tons last year. So much out there we could divert.
 - Bird: Are there other companies in the City that provide the same service?
 - Scott Berens: Yes, for public services formerly Allied Waste. Billings recycling before that. They run a similar program. More cardboard, paper. We introduced the first bins. We are always finding niches where we have got to find angles on the big guys to compete. We introduced the first bins that accepted plastic for drop off curbside recycling. We pull one at 32nd and Grand twice a week.

- Tina Volek: There are also several non-profit organizations that have bins.
- Otto Kovak: I am a private hauler from Cody, Wyoming. Like rates from Billings, would do more recycling since I could afford to do it with lower landfill rates. Rates are higher in Cody.
- Cimmino: Name of business?
- Otto Kovak: Two Tough Guy Services.
- Brown: Would you haul into Billings? So it is the independent contractors we would be paying for?
- Dave Mumford: City of Powell and Sheridan also discussing with us their desire.
- Yakawich: Inspiring that you would travel so far. How many trucks would you bring in in a year?
- Otto Kovak: Right now we are around 1,300 tons, rural routes. City hauler of Cody is about 10,000 tons and Powell is about 5,000 tons. If brought everything to Billings, would be between 20,000-25,000 tons a year.
- Yakawich: How many trucks?
- Otto Kovak: Legal around 22 tons a load for each run. Powell just got their transfer station set up and they have a compaction trailer which would be at 24 tons. Things that draw me up here: One- Is the financial side; two - would like to see more recycling.
- Tina: Meeting with County Solid Waste Committee tomorrow. Favorable toward Yellowstone County changing the way we charge? Charging the hauler directly and reducing amount, so that we can go ahead and confirm with the Solid Waste Commission that that is indeed acceptable to the Council. Then if you could give us some direction on what you want to appear on the agenda. Fees are going to have to be advertised and we are going to have to have a public hearing. Will be opportunity to make additional changes at that point before a resolution or an ordinance. We could make amendments at that time but it would be helpful to staff to get direction on both of those items.
- Mayor Hanel: Does the Council have any objection with what has been proposed, the agreement with Yellowstone County?
- Council: Option 1 is consensus.
- Hanel: Any direction for the Council as far as for future business agenda regarding rates?
- Tina: Staff recommends Option 1, but can show both options to you and to public.
- Bird: Have an opportunity to do long range thinking about how we are going to be prepared for that \$15M investment in the landfill. Also, think we are a growing city. We have services that people don't expect but demand them. It costs money to provide these services. Would prefer not to kick the can down the road and do things more incrementally.
- Tina Volek: Will be putting out an advertisement, and a public hearing at the Council session when this comes forward.

- Hanel: Still a little confused; the commercial rates stay unchanged? Why aren't they changing?
- Dave Mumford: ~~Did the analysis when Miss Duray did it.~~ The rate we are currently charging allows us to cover our expenses. Recycling and some other things are what has cost increase in the residential. That is why the increase is going to them. Did each one, residential, commercial, and landfill separately. What does it take for us to operate?
- Mayor Hanel: Have a need to provide staff with direction so we will be prepared for future meetings so this can be decided on. Have heard both options. Consensus for Option 1.
- Mayor Hanel: We have heard for year's compliments on our solid waste collection. This is a particular service that is provided via taxes. Does not have very good conditions especially when temperatures are 100 degrees. They are out doing their job and picking up 90 gallon containers, a 1,000/day. The bargain that the tax payers are getting for their money is very good.
- Yakawich: Would be useful to have information to Council a couple days early.
- Brown: When will out of state hauling come to Council?
- Dave Mumford: Could bring it to you with the rate changes, in April. Only cost that would change is what the surcharge would be. Would be minor.
- Bird: Had a citizen ask if the City put the roll-offs in the neighborhoods at a certain time of the year. Did we ever have a program like that?
- Dave Mumford: Did a program at one time with Planning Dept. Was trying to get into some low income neighborhoods that they were trying to renovate Pioneer Park. Other than that no.
- Bird: Wasn't just for people who couldn't get to the dump. That was for people who were renovating.
- Dave Mumford: Very targeted. Code enforcement had gone through an area and looked an area that needed assistance. We went in and helped Planning Dept.

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| TOPIC #3 | Street Artwork |
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- Dave Mumford: Public Works has worked with the Downtown BID and some of the property owners on their concept of art downtown. Many have seen the shrink art on the traffic signal boxes downtown. Public Works sat on the Board and helped finance those that have been done. Have come forward with the idea of taking this further with sculptures. Would take a different effort on our part working with them. Other communities have them. Sheridan WY has done public street art for about 12 years. In Billings, looking at Broadway and then possibly working with MDT to do some on Montana Ave. Sheridan has 44 sculptures in their community. Their engineering staff does the majority of the work. Wanting to know your feelings. We would be happy to work with them and continue to move forward. Sheridan contributes monetarily. Have a 1¢ fund that

helps pay for it. Would be taking it out of street maintenance fees for the downtown. Our street maintenance would be the ones doing it. Their sculptures have been on display for a year. When they are sold 25% goes back to help pay for the ongoing program. There is a fee back to the community. They have a very explicit packet. Have a resolution, if interested could bring a modified version to the Council and Mayor for you to look at. With the committee, they have it spelled out who does what. Not clear on insurance. Would be a good program for downtown. Would require effort from Public Works. Have discussed with City Administrator. BID does have an art committee currently. Thinking that we might want some modification to the Yellowstone Art Museum. Mr. Johnson did the sculpture at the Chamber of Commerce of the cattle drive. He is interested and has some business folks wanting to do some type of sculpture at the roundabout at King and Shiloh. Would be an expensive sculpture. Need to be looking for funding from the private sector. Idea they came forward with was a statue that would have Sacajawea, Lewis and Clark, and one other member standing and facing each direction. Have had discussions about Shiloh Road being a corridor of art. That is an entrance to the City. We have both hospitals working out there, and a large shopping center. The downtown is a starting place but I see this as larger. Lisa Harmon very energetic in getting the downtown moving. It does require funding from PW to help. If Council is interested, the first thing would like to do is to look at where it would be appropriate to have art in the downtown. What locations that would be safe. There would be no site distance issues or other problems. If Council approves concept, will develop more detailed program and bring it back for approval.

- Swanson: Familiar with one sculptor.
- Pitman: Liked the horses and sheep, favor more downtown art. Want more info. Don't want to restrict it to downtown; a way for city to partner with artists for more art on signal boxes, etc.
- Dave Mumford: There is a funding need. It saves maintenance. It is long term maintenance of the boxes. Gainans in the Heights is interested. Be bringing forward to Council some ideas of the roundabout at Bench and Hilltop. Gainans would purchase and provide the plants. Would like to see an American flagpole. Enthusiasm is great.
- McFadden: Safe to put art in public R/W?
- Dave Mumford: Art in many eastern US and European cities. Need to protect the art so people don't drive into on the roundabouts.
- Mayor Hanel: Have in Sheridan. Quite beautiful. Cheyenne has on their roundabouts. Would help and a great idea.
- Bird: Signal wraps should continue citywide. Could dress up S. 27th street interchange.
- McCall: Great idea.
- Brown: How much money?
- Dave Mumford: Don't know. Will take time to phase in. Not a large initial cost. The real cost is in getting the sculptures. Look at working with the private sector to fund. Look at city for maintenance.

- Cimmino: Funded through street-maintenance, but short funded there? Money being used for snowplowing and may have to delay projects. BID share costs?
- Tina Volek: Primary cost is going to be in the installation of the art bases. Will work more closely with the downtown preliminary piece and then will look at expansion. Wondering if Task Forces would be interested to help organize it.
- Cimmino: Would BID share in the cost?
- Tina Volek: I would think they probably would.
- Yakawich: Great idea. Like idea to get businesses to take ownership. Cost info needed. Structures would last longer. Riverstone Health putting together an art wall.
- Dave Mumford: The downtown has come forward and has started moving, before we engaged with them. Didn't want them to get too far down the road without knowing is this something you are interested in. We will put minimum time in now. Need to bring those numbers back to you.
- McCall: Status of Putnam Memorial?
- Tina: Enough money collected to install one of the buffalo.
- Pitman: Signal box wrap cost?
- Dave Mumford: About \$2,000. By the time there is a fee to artist, get shrink wrap manufactured and then installed.
- Pitman: Can Council approach businesses to sponsor?
- Dave Mumford: Let staff work on it first, develop rules for locations, choosing art, etc.
- McFadden: If we have art in the roundabout, is there a concern where we plow the snow? How we trim the grass?
- Dave Mumford: Need to have the art match into whatever the landscaping is on the roundabout. If done on Shiloh, roundabout needs to be modified. There are ways we could do a lot more xeriscaping. A lot less water, etc. As far as plowing goes, we would plow to the outside. Goal would be to minimize the amount of hand and labor to take care of them.
- Hanel: Consensus is to move forward.
- Public comments: None
- Break at 7:30
- Reconvene at 7:40

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| TOPIC #4 | Aquatic Fee Adjustment |
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- Kory Thompson: Follow up on aquatic rate presentation 2 weeks ago. Would like to consider some additional information. Took a look at entire aquatic budget. Used an average from 2010 to 2012. 2013 would be waterslides under construction at Rose Park pool. Looked at these 3 years, calculated our expenses and revenues. Numbers are there for you to see. Note that our spray grounds in our City parks are free. Operated by Parks Division Staff for cleanup, etc. Any major capital repairs or expenses are handled through SBR's.

- Tina Volek: SBR is Supplemental Budget Request. Not automatically included in budgets, but brought forward to Council with the recommendation for approval or not.
- Kory Thompson: Breaking down each facility that is included in that entire aquatics budget. Three areas that we look at: Wading pools, Pioneer Park, and one at Hawthorne Park, South Park pool, and the Rose Park Pool. Also wanted to get specific information on reduced passes/scholarships that are provided to the community. In 2012 there were 283 valued at almost \$12,000. Those guidelines follow the School District 2's free and reduced lunch program. That provides season passes for low and moderate income folks. Pool admission comparisons, every facility offers different amenities. Important to understand when you see the pricing structure that other communities or facilities use. This is the fee to get in the door. Quite a gamut of fees. Ours are reasonable. Important to do this periodically to see where we are in relationship to other cities and local facilities. Looked back in 1991 and believe for quite a period of time, it was \$1 or kids and \$2 for adults back when the Athletic Pool was still here. 2001 looked at an adjustment for Rose Pool. It provided more amenities and was looked at a slightly higher charge than Athletic. 2008 Dehler Park opened which meant that the Athletic Pool was no longer with us. Again we had a minor fee adjustment. Have looked at coming back every two years to see if Council is interested in a fee adjustment. In 2012 there was no actual fee increase. Did make a change in the age range from 7-17 year olds for kids to 5-17 year olds. We are here to see if the Council is interested in looking at any adjustments with our aquatic fees. Purpose of these fee adjustments, is to look at covering our increasing costs. Each year we look at increases and wages, utilities, chemicals. Our estimated increase for this coming summer is about \$16,000. Revenue goals: Short term goal is to cover those annual increases. Long term goal would be to work with the Council to develop a fee policy or fee structure that would be comfortable with moving forward. When we were here two weeks ago, we had an option for you to consider, and this is that option. With the new amenity at Rose pool with the speed slide, we thought maybe it would be a good time to look at a structure to include that amenity. Again, it would be an additional \$1 for those who wanted to use the speed slide. If they chose not to, and just use two slides that have been there since 1995, there would be no increase. Looked at a small fee increase for the daily youth admission, and then also an adjustment on the season passes.
 - Bird: Do you have an adult season pass?
 - Kory Thompson: We do. Cost is \$75. Reiterate the original water slides up in 1995. Fees were \$3 and \$4. Have not changed those fees and the only adjustment we would be making if somebody chose to use the speed slide which is an optional charge of \$1.
 - Pitman: How does this calculate into the fact that the slide money is supposed to be going into the \$200,000 fund before it is considered revenue? So this is money that is coming in. Don't want you calculating that into our revenues when that is supposed to be going into the replacement fund first.

- Kory: Last year with the slides being under construction for all of June and July, believe it brought in \$16,000 in August. Revenues from just the water slides.
- Brown: Dollar for the speed slide, which is dollar per slide or dollar per day?
- Kory Thompson: Per day. Wrist band for an all-day pass. Again an optional charge if they chose to do that. The impact for that Option A which was shown to you two weeks ago, has stayed the same, about \$16,000. Estimated in some additional revenue. Went back from input from Council, looked at a 50% Option B. Instead of a dollar, we would look at 50¢, which is an additional 25¢ for the youth admission, and about a \$5 increase on the season pass. Impact of Option B would be about half the cost from Option A. That is a little over \$8,000 in estimated revenue.
- Pitman: With all the options, you are still showing revenues from the speed slide that you are not going to have, because those need to be isolated right?
- Mike Whitaker: Proposed revenue projections include revenues from the slides. Keeping accounting to keep track of the revenue from the speed slide.
- Pitman: When we approved financing, the first \$200,000 of all income from the slides has to be set aside before you can consider an income. Are you taking that into account? Mike Whitaker: The revenue projections include the admissions and the slides. We have not removed the revenue from the slides. We are keeping an accounting of that revenue.
- Tina: Understands what Council Member Pitman is saying. We are talking about balancing the \$16,000. So that money will have to come from somewhere else – General Fund most likely. Only have so many sources unless we increase the fees.
- Kory: Option C, if the Council chooses not to look at any fee adjustments, would keep the fees that same as last year. The impact for any increases and utilities wages or chemicals would be absorbed in the General Funds.
- McFadden: If we went with Option C would the kids still have to pay the \$1 for the speed slide?
- Kory Thompson: Would be included with the wristband.
- McFadden: If we gave them a free pass for one more summer, that would not break us would it? Then we could come back next summer? Concerned this summer might be a cool summer for pool usage. Could give the kids a freebee for the summer and maybe raise fees next year.
- Mayor Hanel: Thank you for the presentation. Staff at Parks has done a great job in bringing information back to us and the additional research you have done is greatly appreciated. Personally, the youth activities are a positive factor within this community. It provides something for them to do other than hanging around the house, watching the TV, playing video games, or getting in trouble. Would like to keep it affordable. I realize the cost of doing business has gone up. In the future of our community, I would be in favor of Option B. There is a need for some increase but not quite prepared to dive into Option A yet.
- Bird: I have Option D. One thing to consider is to increase the admission rate. But not at the \$1 for the slide this year. Because we got short circuited on the

slide last year, it would be really awesome if we did not impose that \$1 fee for the speed slide this year. Really going to be first full year with the slides operational. We disappointed the public last year who were ready for those slides to open, they really only had one month. Do we increase the admission fee which still makes it affordable, but not charge the extra for the slide? Think either 50¢ or the \$1. That brings in a little bit more but still cutting folks slack, at least this first year on the speed slide.

- Brown: If we take out of the \$26,000 for the spray pools, how are the pools doing?
- Kory Thompson: The wading pools which we staff with lifeguards are open from noon to 6 pm by state law.
- Brown: We will never recoup that \$26,000. Trying to recoup that by charging more for the slides and everything else, is somewhat unrealistic. Do we really need to raise the fees at all?
- Tina Volek: They are already taking those into account. The original intent was to offset what we anticipate with the fees. Had a difficult time last year for attracting lifeguards. Crucial we have a minimum number of lifeguards, we are going to have to increase our rate this year because there is so much competition. We are not going to get lifeguards at minimum wage. Have got to increase those rates. If we do not add the \$1 for the speed slide, then do we not accrue money this year toward the long term replacement?
- Pitman: It is irrelevant whether we raise that \$1 or not as far as our revenues. All the slide money is going into a separate fund. When we approve these slides, what we asked was, instead of the slides after 10 years wearing out and not having money that the first \$200,000 coming in from the slides has to be set aside for replacement of those slides. It is not income. It is actually being set aside and diverted at this point.
- Brown: If we don't raise the money, then we are going to have to take a percentage out of each person that goes into the pool to fill into that fund.
- Mike Whitaker: We have a proposed increase in operations cost of \$16,000. We're trying to raise those dollars through a fee adjustment. Bottom line, we will see an increase in our operating cost of \$16,000.
- Crouch: Agree with Council Member Bird about taking the \$1 off the slide for this first year and then not raising any of them except the season passes.
- Kory Thompson: Since 1995 we have charged \$3 for an all-day wristband for kids, \$4 for adults. Again, what we are considering doing or throwing out is a pricing structure change that would charge an additional \$1 for an all-day wristband for somebody that wanted to include the speed slide. Could leave as 1995 with no additional charge for the speed slide, therefore the wristband they could buy for \$3 or \$4 which would include all three slides.
- McFadden: Recollection that when we were asked to bring forth the city wide maintenance fee, that things like the replacement and repair of Rose Park slide, that is where the money would come from. Just wondering why we have to get

all the additional revenues from little kids allowance when we have the city wide maintenance district.

- Kory Thompson: We are looking at \$16,000 additional expenses to run the pools this year. As part of a new pricing structure with the speed slide, we look at ways to offset that increase. The Council can choose to look at a few adjustments or not.
- Tina: Will need to go back and look at the wording that was given to us by Council at that time. Misunderstood. Thought when we talked about the money from the slide, it was the \$1 from the speed slide. Am I now hearing Council Member Pitman say it is all the fees from the slides?
- Pitman: Understanding was that when we passed that, all the revenues coming from the slides. We were talking about the \$300,000 it would cost to replace the two slides. Then you added in the speed slide which we paid for out of Council Contingency Fund. What we said was all the slide money needed to go into that fund. Once it hit \$200,000 then it could be considered revenue. We used 10 years of the slide, considered that income, but we hadn't set aside the \$300,000. It was revenue neutral except for the money was spent that came in for the slides so that by the time the 10 years was up; we had to spend the \$300,000 and didn't have the revenue to do that.
- Tina Volek: Know that the Park Board currently is beginning to look at a list of recommendations to the City Council for the continued use of the Park Maintenance District #1. Think we still have a long way to go on maintenance projects. We have been talking about the need for additional irrigation. There are many others that have been identified. That is the reason the staff is somewhat reluctant to include the ongoing slide. It will be a decision that will have to be made down the road by another Council. We are about a decade out. To make a slide last longer, we have about 20 years more than we needed. If you take out the wristband for the speed slide, we would have the increase from the daily admission, and the increase from the passes, the 50¢ youth increase to the youth admission, and the season pass increases. Would be a total of approximately \$8,875.
- Kory Thompson: Currently the revenues from the slides are daily admission and concessions are lumped together in offsetting operations.
- Tina Volek: So you will gain \$8,800 if you go to upper option. But will lose the income from all of the slides. We will have to let you know what that will look like. It will have a larger impact than this. Mike Whitaker tells me slide revenue is about \$30,000/year. So we are about \$38,000 short of where our actual operations costs are anticipated to be.
- Hanel: Still lingering in the back of my mind the fact that the speed slide in itself which was never fully operational during the season, it has only been a year. Think another season of usage of both of those new slides, the year after this summer, not this coming season but the next season could increase the price of those speed slides, you can see people lined up to use them. This year might be a little early.

- Bird: The serious issue in generating revenue for this next year, is our ability to pay for an adequate number of staff. These lifeguards are out risking their lives and saving lives. Have got to be able to attract lifeguards. Otherwise the pool is not going to open. Will be faced with shutting down South Park pool for the sake of Rose Park Pool. Need to make sure that in the very least Parks is going to have the money they need to pay an adequate number of staff for the summer.
- Brown: Confused how we will ever make money if we take all the money from the slides and throw it into a fund and expect to be able to cover the costs of running the pool. Understand concept, but perhaps we could do a quarter of that money over a number of years. We would have to raise the cost significantly to make that work. Not sure I would support suspending it entirely. Agree with Mr. Pitman. We have got to cover that. Those slides will have to be replaced. There is no way to make it work if we are taking all the money that is coming in on those slides. Can't use it for operational costs.
- Tina Volek: Insures a commitment from the General Fund. General Fund is limited. Majority of it goes to Public Safety.
- Cimmino: At the time the speed slide was being constructed. Hired an expert to tell us all the design features and what was required. Did he/she recommend how this was going to be maintained?
- Tina Volek: No. Did a contract with a local contractor who did the construction of the base and so forth. That individual subcontracted with an out of state company to do the fabrication of the slides. It was that fabrication that was somewhat delayed. In their favor, the fabricating company has been back several times to insure that the situation is now rectified. We believe we have an operating slide. Which they did at their own expense. Do know that we have made the slides last much longer than most organizations have.
- Cimmino: On Option A the estimated total is going to be \$16,000. Is that the estimated additional revenue?
- Tina Volek: That includes the speed slide which should not be included. It is down to about \$887.50. Does not include the revenue we would lose if we chose to move all of that. So would be another \$30,000 on top of that. Would offset with about \$8,800 against the \$30,000. We would still be throwing about \$22,000 into what normally has been anticipated going into the fund. Have to find a way to cover the shortfall. There are other ways. Can shorten hours, can reduce other options but that all has a direct impact on staff. Have 32 employees full time. Everything else is seasonal.
- Cimmino: \$16,000 in revenue from the water slides just in August alone. That was last year after all the design flaws were corrected. That is a positive.
- Kory Thompson: Had a great August. Anticipate this coming summer being very good.
- McCall: Makes sense to definitely increase the season pass. If we are looking at only \$8,800 of revenue, that is only about 1/8 of that. Not many families actually buy season passes. What is difficult, is that these kids who independently have to try to put together enough money to go to the pool.

- Bird: We generally don't make money with the pools. There is always a little bit of a deficit that comes with the pools. Is there a way to give an idea of what that deficit has been year to year?
- Tina Volek: Look at South Park; we are losing \$46,000 when you look at just the two parks not taking into account the wading pools. We will run at a larger deficit if we don't make some changes.
- Bird: There is a need to make some change if we want to keep pools open. Agree with Mayor Hanel. It is important for kids to have something to do. Really is an investment – our youth. We have an idea of what our losses have been for the last couple of years.
- Kory Thompson: A lot of this goes to show what weather can do to impact it. Remembering the summer of 2010, it was not a very hot summer. Keep in mind there have been minimum wage increases. We have a lot of minimum wage folks that work at the pools and concessions. The cashiers and the swim instructor aids. Lifeguards are currently making \$8.75. When the weather is nice, we go through chemicals a lot quicker. There are a lot of variables that enter into each year.
- Bird: Cost for insurance on liability just for the pools?
- Kory Thompson: Do not have those figures.
- Tina Volek: The Parks Department gets a certain portion or certain rate.
- Pitman: Was on Parks Board when we were talking about this originally. It wasn't until we actually put concessions that Rose Park started making money. Maybe we raise the concessions by a little bit.
- Mayor Hanel: In order to provide direction to you and your staff this evening, there is still a lingering question for clarification on the plan to set aside money for the slides. Very important that all of the Council understand that before any type of direction is provided, we need some clarification.
- Tina Volek: In order to be prepared for the pool season, we need to get to Council no later than April. Pool season starts on Memorial Day before the new budget year begins. We need to have some time to accommodate a change. Next Work Session we will try and add this item to the Agenda and see if we can finalize it.
- Mayor Hanel: Maybe we can get some public input. Maybe a brief article in the paper with Mr. Ferguson here.
- Brown: The General Fund is tax payer money. Pool is not paying for itself. We are asking the tax payers to pay for the rest. Please keep that in mind.
- Most favor B or C, or slight increase for admission fees but not for the slides.
- Public comments: None

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| TOPIC #5 | Priority Based Budgeting/Strategic Planning |
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Tina Volek: Have passed out to Council a revised worksheet from Mr. Weber on the Public Safety Proposal. It has to do with the option that would staff for community growth. There has been additional staff discussion since the time we discussed with Council. There have been changes made that I would like to point out to you. Originally, the paperwork Council received was predicated on the idea that we would have an election in May or June. Assessment could have been made in October with other taxes and could have included that revenue for the first year in 2015. With the new date of November, we will miss that tax deadline for the coming year. The first collection of revenue from a proposed public safety increase would be seen in FY16. By state law we are required to begin our budget July 1. Assessments don't go in until October so that we can include our figures in them. We would not have revenue from this proposal if it were approved in FY15. It would go to FY16. Numbers shown will reflect a change. If you compare to previous worksheet you can see that it basically moved the numbers back a year so that the percentages would move back into FY25 with increases in that time. There are changes we recommended both in Police and Fire. In the Police Department, in the third year, at one time had 3 officers after we consulted with the Police Chief ended up taking out one of the officers and adding an Animal Control Officer, and an Administrative Asst. This was balanced out by the reduction of one police officer. In the Fire Dept. in the second year, we had at one time 3 - 911 Dispatch Operators. Have difficulty filling those high pressure jobs. So we will have two dispatchers in the first year and three dispatchers in the second year. Have now added instead, one Dispatch Operator and an Administrative Manager. Those of you who have been on the Council awhile know there are only two people in the entire department, the Chief and the Asst. Chief who are not members of the Union. We have very limited administrative help. This would include an Administrative Manager.

Mayor Hanel: Need some clarification. On Public Safety Fund and the police, FY16 – three officers and you have \$192,450. Now looking at fire – 2 firefighters in FY16 for \$210,000?

Tina Volek: Will have to check. I believe part of that are retirement costs.

Cimmino: Tina – On your comment when you indicated one 911 Dispatch Operator added with one Administrative Manager because of the limited management resources. Would the Administrative Manager replace the Asst. Fire Chief?

Tina Volek: No. Really need an Administrative Manager who is going to do finance, personnel and all of those things in the Dept.

McCall: Looking at the cost for a Dispatch Operator. They are really pressuring jobs. You need confident people. Salary seems low. Do people in that position have degrees?

Tina Volek: No. We find people who are very capable of handling these jobs, are people that have worked fast food jobs at the counter and the drive thru. These are wages that we are hiring currently. They are entry level wages. On the second page, you see the total dollars from the Property Tax Levy and from the Mills. You see the impact on a \$200,000 house. Note one thing that was done in this formula that was not done previously, one Mill results in a \$160,000/year in property taxes currently. Mr. Weber has increased that 1%/year for each of the ten years. That offset some of the cost from the Public Safety levy. Does have no building. Does include an estimated

4% annual increase for General Fund employees, Teamsters and Administrative personnel in the departments. Also includes a 4.5% increase for Public Safety. Has been a point of contention with some individuals and have been in touch with Mr. Weber. It includes the fact that we move officers in both departments, and the Teamsters employees through steps. Also anticipating health insurance costs and cost of living in those numbers of 4 and 4.5%. Also accounted for a 4% uncontrollable O & M that is fuel, utilities, maintenance, etc.

Bird: Does that include benefits for the 911 Dispatch Operator at \$39,710?

Mayor Hanel: When you go down to the additional officers and firefighters, have a proposal here for three officers in FY19 - \$106,679. For two firefighters in FY19 we have \$226,000? Over the years, the cost of additional firefighters and police officers, the numbers don't seem right.

Tina Volek: Will have numbers double checked, talk to Mr. Weber and bring this back to Council.

Brown: The 6 firefighters that are being added, is that based on growth or do they need that many more officers by that date?

Tina Volek: Is a growth scenario and does include some opportunity for that. When we passed the first levy in 2004 and affirmed in 2005. At that time, we had a legal matter that required a \$1M from the General Fund and then the balance of payments were taken out of the Fire Department Operation. Hired 7, and had an Asst. Chief, and 6 firefighters to whom we had made offers, but rescinded those offers. They were not included. Those 6 make up what we lost in that time to some extent.

Yakawich: Are we asking a 10 Mill Levy?

Tina Volek: No. We are asking a Progressive Mill. Number is the bottom line on the back page and is again, the growth scenario (*referring to Cost and Schedule of PSF Staffing for Community Growth handout*). There is a lesser amount if you continue at our existing service we are providing now, in the future.

Yakawich: Half of that, we would be asking would be that second scenario.

Tina Volek: Yes. First scenario that was presented, that will lead to lay off some departments? The second scenario was basically keep things at the same level they are now. At the bottom, there is an addition of an Attorney and a Paralegal. If you have more officers in this option, you will end up having more cases. The third scenario is to accommodate what we anticipate in the future.

McFadden: If the Public Mill Safety Levy is passed, then the increase in taxes will be incremental each year? First few years won't feel it much, and it will be incrementally distributed over a decade.

Tina Volek: Correct. The numbers you see on the back page are accumulative year to year. First year it is \$31.00 and the next year is \$47.00. That is inclusive of the \$31.00 that is put in the first year.

Mayor Hanel: We need a very clear numerical graph to go to the public with to sell this. And in time to come, the revenue that is coming in as the present structure is not going to keep up. It has to change. It needs to be as clear as possible to the citizens.

Crouch: Is the Levy supposed to only cover the Police and Fire?

Tina Volek: Yes, and the attorney.

Mayor Hanel: Animal Control?

Tina Volek: It would add the Animal Control and the Administrative Asst., and Police, and Administrative Manager and Fire.

Mayor Hanel: Exactly the purpose of a Work Session. So that information can be presented.

Tina Volek: This is feedback to the Council that was discussed at our last Work Session on the Strategic Plan. This reflects (see *2014 Strategic Plan handout*), the final determination that we made. These are your vision values, adding accessibility and transparency, interaction.

Tina Volek: Reviewed the— **2014 Strategic Plan** (*Power Point*)

Vision – The Magic City: A diverse, welcoming community where people prosper and business succeeds.

Values: We, the City Council and Staff of the City of Billings, affirm that we perform all of our duties embracing the following values:

--Integrity: Through accessibility and transparency, we earn the trust of the community to which we are responsible.

--Collaboration: We commit to provide opportunities to achieve common goals through positive communication and interaction with individuals and with public and private organizations.

--Stewardship: We plan and manage resources effectively, responsibly and efficiently.

--Service: We deliver services with courtesy and respect while meeting our customers' needs.

Strategy 1: Honest Responsive Government

- Goal 1: A value-centered organization with policies and procedures that promote responsibility, accountability and trust.
- Action 3: Distribute City of Billings' Vision/Values/Goals Statement to all employees and the public. (Institute immediately and continue indefinitely.)

Question is, when the last Council looked at the Strategic Plan they said:

1 - City Council will serve as ambassadors to various city groups regarding Values Statement and the Strategic Planning process.

Not done. Does Council still wish to proceed with new process?

2 - Produce PSAs featuring city employees as spokespersons.

Lack of PIO and funding make this action difficult to achieve. Consider at budget time?

3 - Prepare handouts and Power Point presentations.

Lack of PIO and funding make this action difficult to achieve. Consider at budget time?

Tina Volek: Does the Council wish these items to remain in the Plan, and if you do, do you wish us to create an SBR for a Public Information Officer (PIO) for next year's budget?

Cimmino: Wonder to have a PIO, but do we have a budget for that? Where do we get the money to fund that?

Tina Volek: Another cost out of the General Fund. Have been clear to Council that my background was twice in a job as a Public Asst. and then a PIO and had to find another job in the organization because when the going got tough the money went away. Would be hesitant to bring someone in, and look at them for a job, or ask someone who is in another job now, to do more, and become a full time PIO is we couldn't be assured that there wouldn't be funding.

Cimmino: Looking at Revenue and Expenditure Column. Looking at the amount of reserves we always use to balance the budget. If we could use the General Fund to fill this position, then we better increase the Mill Levy to look like.

Tina Volek: Couldn't pay for the PIO with the Public Safety Budget. Trying to make the Strategic Plan consistent with the Council's goals. Is this a priority?

Bird: We have had some conversation about this before. Definitely in support of the city at least doing the exploration to determine where we can pull revenue from to fund a position like this. Are a large community in this state, we are a regional draw for the states around us. We are growing, and continue to grow. We need someone on staff who can manage the message for the City to make sure the information gets out. Worthy of some serious thought and consideration.

McCall: Would love, if we had a PIO. Maybe we should look at what the cost would be, and where we would be able to find funds for it. In terms of these three things, they need to be taken off the list. 1 – City Council as Ambassadors to all these groups on the Strategic Plan. We are also going to be Ambassadors on the Public Safety Mill Levy. Which is the priority here, and how much can people do? 2 – PSA's. We are going to be doing a Public Service Mill Levy. We are going to be putting our energy into that. Need to make the Strategic Plan available. People will get the message. Same with the 3rd one. Let's do what the Strategic Plan says.

Tina Volek: This is very time consuming.

Mayor Hanel: Very good point and I don't disagree. Do agree with Council Member Bird, it is something that you need to explore. But within three categories here, particularly the first one, I would say to each and every one on you on the Council Members, when you are involved and make an appearance, you are representing yourself as a Council Member representing the City, you are serving as an Ambassador. You are doing the best you can to build relationships to deliver the message in a positive manner. The PSA's, I realize that the person in purchasing can't do everything. You as a Council Member can volunteer. Media is an excellent resource. Agree to remove all three, but don't think we should turn our back on the PIO. Funding is going to be very difficult.

Tina Volek: Will explore PIO and give feedback to Council, but these items are coming out.

Cimmino: I believe we need a PIO. Do we have the money? Great, lets hire one next year. We have to turn the budget somewhere.

Mayor Hanel: Money may not be available, but I think this is something we need to look in to.

Tina Volek: My job is to make sure that the Strategic Plan is a reality, and reflects what the actual situation it. This has troubled me and that is why I brought to Council.

Strategy 4: Sustainable Economic Development

New Objective 9: Coordinate economic development activities to ensure

The City is working cooperatively toward a common goal.

- Action 1: Continue to hold annual strategic planning review meetings with the Chamber of Commerce, Big Sky Economic Development, School District #2, Yellowstone County, the Downtown Billings Partnership and others.
- Action 2: At the next annual meeting, discuss ideas for further cooperation, including creation of a leaders' coordinating council or creation of a citywide economic summit.

Tina Volek: Did have a meeting last week with representatives of The Downtown, The Big Sky Economic Development Council, The Downtown Partnership, and the Chamber of Commerce. The County could not be there. We have discussed our annual meeting in June to review our Strategic Plans. That gives time to round those other groups completing their plans. There was a suggestion at the meeting, that there be a leaders coordinating council beyond this group that I meet with which is the managers. Have created a new objective made Action 1 and Action 2 as it reads above. Very enthused about the prospects. Would like the Strategic Plan to reflect that if the Council agrees.

Mayor Hanel: Looks great.

Strategy 5: Involved, United Community

New Objective 4: Consider expanding current nondiscrimination language in City ordinances and policies to include sexual orientation or gender identity expression.

Human Resources and Legal

- Action 1: Respond to Human Relation Commission's request to revise its duties in City ordinance.
- Action 2: Propose update to existing city policies on discrimination.
- Action 3: Consider approving an anti-discrimination ordinance.

Tina Volek: Have suggested that Objective 4 is added under Involved United Community. Hope the Council considers this an appropriate place to put this.

Strategy 7: Public Safety

Goal 1: Provide for a safe and secure community.

Objective 1 – Provide adequate readiness response capabilities throughout the city in order to respond to routine and emergency calls for service.

- Action 7: Engage in visible and proactive collaboration with the county, providers, schools, families, advocates and the business community to promote quality mental health services and safety for high risk children and adults.

Tina Volek: One of the main providers of Mental Health Services is Riverstone Health. And then the other bodies that are supported, the Crisis Center, etc.

Tina Volek: Encourage the Council to look at the strategies that I gave you. Will send a completed report next week finalized for April 7. Then if okay, we will place it on the Agenda for approval on April 28.

Public Comment: None

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| TOPIC #6 | Council Discussion |
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Mayor Hanel: Move on to Council discussion:

- Bird: Recent public, elected official statements in terms of very disappointing comments for an elected official which blackens the eye of our community. Feel strongly that City Council should issue a statement that one person's hatefulness doesn't reflect the community's attitudes.
- Hanel: Caution City about making an official, group statement.
- Brent: Be cautious about Council statements.
- McCall: Anything official from County Commissioners? Have made individual statements.
- Bird: Ask that Council Members individually speak out on the topic.

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| TOPIC #7 | Public Comment on Items not on the Agenda |
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- Dennis Ulvestad: Read response that he wrote to a person who addressed the Council through e-mail.
"Would like to respond to Celinda Melton and Jim Taflan's letter to City Council. First of all, I want to be very clear that I am not lesbian, not gay, bisexual or transgender. I am heterosexual. I do not think there will be a number of people affected by this ordinance, which is the Non Discrimination Ordinance here in Billings. I was reading your letter to City Council that LGBT community will not force their convictions onto you. They do have the right of the first amendment. In your article, I noticed that you believe that we are all enslaved to live according to the preferences and lifestyle choices of a few. When you said that, NDO does not promote safety, but harm to children and women, how is that negating them? As we all know, there will be women and children that will be part of the LGBT community. Have to respect their convictions also. Don't have to endorse other people's choices. This is your choice. I differ with you on the LGBT community. Do you really think that they are forcing all to endorse and embrace the choices and preferences of you? With all due respect to you, Celinda Milton, the letter response, how would you distinguish a person that comes to your door or business, whether they are part of the LGBT community or not. Do you believe the LGBT community has their freedom too? We have to move forward. We are in the 21st Century. Even though we have our own convictions, we still must move forward, not only for the well-being of few, but for all of mankind. Whatever our lifestyles may be."

As a response to Mr. Taflan, which was another letter: "God does not discriminate any human being. Every human being has God's spirit within them. In closing, I would like to make one more statement: I believe that there will not be that much infringement upon our freedom. If we pass a non-discrimination ordinance for the great City of Billings, and know Council as I do, that you will look at all options on the table. As Celinda Melton wrote in her letter, to the Honorable Mayor and Council, this is for the well-being and freedom for all. Not just for a few." Thank you.