

City Council Work Session

May 15, 2006
5:30 PM
Community Center

ATTENDANCE:

Mayor/Council (please check) ✓ Tussing, ✓ Ronquillo, ✓ Gaghen, □ Stevens,
✓ Brewster, ✓ Veis, ✓ Ruegamer, ✓ Boyer, ✓ Ulledalen, □ Jones, ✓ Clark.

CONVENE TIME: 5:35 P.M.

ADJOURN TIME: _____ P.M.

Agenda

TOPIC #1	PUBLIC COMMENT
PRESENTER	
NOTES/OUTCOME	
• NONE	
TOPIC #2	Board & Commission Reports – Temporarily Suspended
PRESENTER	
NOTES/OUTCOME	
TOPIC #3 A	Budget Review – Public Works
PRESENTER	Dave Mumford
NOTES/OUTCOME	
<ul style="list-style-type: none"> • Mr. Mumford explained the structure of the Public Works department. The Public Works department maintains 25 facilities, has 227 full-time employees and 41 seasonal employees. They have 49 major funding sources and 5 reserve funds within the department. He reviewed the Public Works budget for distribution and collection. He explained the new pipe bursting equipment and the advantage it allows for repair and maintenance. Councilmember Gaghen asked if the 2 million feet of sewer line that is cleaned is the complete sewer system. Mr. Mumford replied that 2 million feet is about one-half of the entire system. • Mr. Mumford reviewed the wastewater treatment process, stating that 15 million gallons of water are treated on a daily basis. The water treatment plant processes 20-23 million gallons of water daily. The plant can accommodate 50 million gallons and they are doing a master plan to update the pump stations and provide better pressure zones. Mayor Tussing asked if the City has a responsibility to monitor what waste goes into the sewer system treatment plant. Deputy Director Al Towleron said the City has an EPA mandated pre-treatment program that's been running for 	

about the last 20 years. The department keeps track of all the users that may cause possible future problems. Mayor Tussing asked if the dept. can track pollutants that are poured down the sewer drains, and could the State hold the City accountable for any toxic waste. Mr. Towlerton replied that large amounts may be traceable if there is residue left at the dump site. He also stated that the treatment center is a closed system so that the pollutants won't be going into the ground unless there's a break in the pipe. Councilmember Ronquillo asked how gas station RV dumps are monitored. Mr. Towlerton answered that RV dump sites are issued permits and are monitored on a regular basis by the PW department. Councilmember Boyer asked if he had ever witnessed RVs illegally dumping in a storm drain. Mr. Towlerton replied that it is possible but he's not aware of that happening.

- Mr. Mumford presented the Utilities Division budget. He noted that the Wastewater "shortfall" will be made up through deferred projects or reserve funds. Councilmember Veis asked what the cost was for gas, electricity, etc. Mr. Mumford noted that the amount is under "O & M" and is increasing.
- Mr. Mumford stated that the Engineering Division oversees about \$32 million in CIP projects. He added that about \$100,000 from the PAVER program was moved to Street Maintenance.
- The Solid Waste Division statistics and services were reviewed next. There are 12 other cities and counties that use the Billings landfill. They will be expanding the recycling & Haz-Mat programs city-wide through the next few years. The current landfill is projected to last another 15 years and they are looking for ways to extend that time. Councilmember Veis asked what the \$1,795,000 loan to the Fire Department entailed. Financial Services Manager Pat Weber answered that the monies went for the purchase of the land and operations (i.e. hiring 12 firefighters). Councilmember Brewster asked when the City will start looking for a new landfill site. Solid Waste Supt. Ken Behling said that part of the new master plan will determine the life of the site, but the 2049 date uses only 200 acres and the City owns 1000 acres. New technology may change the future of landfills. Firms have contacted the City regarding using the City's solid waste to make ethanol. Councilmember Gaghen asked when the City purchased the landfill site. Mr. Behling answered that it's been a "progressive" purchase as surrounding land has become available, and gave the credit to the City Council.
- Councilmember Veis asked if the yard waste recycling will be expanded. Mr. Behling said that the dept. wouldn't be adding any new yard waste areas this year because they had to use those funds for new trucks. They plan to enhance the service with containers and add four new areas next year. He recommended adding new areas each year thereafter.
- Mayor Tussing asked when the Yellowstone Country Club subdivision would come into the system. Mr. Mumford noted a State law that requires a 5-year moratorium when a developed area is annexed, so that area would begin receiving service about 2007-2008.
- Councilmember Veis asked if it would be cost effective to buy a grinder. A grinder would not be cost effective at this point according to Mr. Mumford. The grinder is a high maintenance machine.
- Street-Traffic statistics were discussed next. The City maintains 459 miles of paved streets, 149 signal lights and 55 street light districts. Mayor Tussing asked who replaces street light bulbs. Mr. Mumford answered that it depends on whether the lights are under the City or Northwestern's ownership.
- Councilmember Ronquillo asked where Public Works is on the chip sealing project. Mr. Mumford said the chip sealing is still active under the PAVER program. It's an important tool in maintaining the condition of the streets. The PAVER program had to be reduced to cover other

Supplemental Budget Requests (SBRs). Councilmember Boyer asked when the PAVER program is reduced, what gets deleted. Mr. Mumford said the dept. has a list and he is concerned that the PAVER maintenance program be continued to keep the City roads in good condition. There hasn't been a rate increase for the last 3 years and every division is starting to feel that decrease. Interim City Administrator Tina Volek stated that Council wants staff to ask for rate increases so that the City doesn't fall behind on the street maintenance. Councilmember Veis asked when the last rate increase occurred. Mr. Mumford said that the last increase was three years ago.

- Councilmember Veis asked if the speed limit needs to be reduced on Lewis and 5th. Mr. Mumford responded that speed reductions are very hard to engineer effectively. For example, the speed bumps on Lake Hills Drive have worked to reduce the significant speeding, but the neighborhood paid for those bumps through SIDs at a cost of about \$1500 per bump.
- Councilmember Veis asked if the dept. had considered using arterial fees to pay off street bonds. Mr. Mumford answered “no” because that would reduce or eliminate other construction projects. Councilmember Veis then asked what the interest rate was on the street bonds and if the City would be better off paying off those bonds. Mr. Weber said he didn't have that exact figure with him but that it's less than 5%. The bonds cannot be paid off before their maturity date.
- Mr. Mumford stated that the Forestry Department has been merged with the Street Maintenance Department and presents a better use of both equipment and manpower.
- Councilmember Brewster asked if the City increase in insurance is reflective of a huge loss for the insurance company, and is this problem specific to Billings or a national trend. Deputy City Administrator Bruce McCandless responded that the City purchases liability and workers' comp insurance from MMIA. Rates reflect the City's claims history.
- Mr. Mumford summarized the overall department budget which is 40% of the entire City budget.
- Councilmember Veis asked why the City doesn't buy its power directly from PPL or why doesn't it create its own utility entity. Mr. Mumford said it would need to be explored if that is the direction the Council wants to go. The City needs to aggregate bidding and the load and buy long term contracts, he added.
- Councilmember Ulledalen asked if the City was pursuing any methane recovery methods at the landfill or the wastewater plant. Mr. Mumford answered that currently the wastewater plant has a generator that it uses to burn the methane which offsets the power costs. The landfill does not have any method currently to recover methane. MDU recently talked with the City about the possibility of producing methane but because of the dry ground and insufficient amounts of waste, it doesn't produce enough methane to make extraction cost effective.
- Councilmember Ulledalen voiced a concern for using reserves for capital rather than using bonds to extend the debt. Mr. Mumford stated that was a philosophical issue in the past.
- Councilmember Ulledalen asked when the City would extend water and wastewater to the west side of Shiloh. Mr. Mumford said the master plan predicts the City should be able to extend west of Shiloh when needed. Service can be extended to the developments that are ready to go. Councilmember Ulledalen asked why the City doesn't require subdivisions to cover the entire cost required in establishing the subdivision. Mr. Mumford said the dept. has doubled the fee this past year to recover more of the costs, but there will always be developers' resistance to fee increases.
- The Mayor called a brief recess.

TOPIC #3 B

Budget Review – City Administrator/City Clerk

PRESENTER	Tina Volek & Marita Herold
NOTES/OUTCOME	
<ul style="list-style-type: none"> • The Mayor called the meeting back into session. • Tina Volek, Interim City Administrator presented the administrator’s duties as outlined by the City Charter. The Administrator’s Office is fully funded by the General Fund. • The City Clerk’s budget presentation was made by City Clerk Marita Herold. The history and role of the City Clerk’s Office was reviewed. The Clerk’s Office has four primary areas of operational responsibility: <ul style="list-style-type: none"> ○ <u>Council & Staff support</u> – Council meetings, Committee meetings, Agenda scheduling, preparation & distribution, Council Minutes, Council Legislative History, Research ○ <u>Records management</u> – Records processing, Policies & procedures, Discovery requests, Office of record, Recordation coordination ○ <u>Administration</u> – Legal advertising, Public bid openings, Competitive bid security maintenance, Contractor bond administration, Bond transcripts, Code codification administration, Election-related certification, Intranet & Internet updating, Training ○ <u>Public information & customer service</u> – City operations & community information, Information referrals, Notarial services, Research & public records requests, Intergovernmental information & training • Councilmember Ronquillo asked if the City’s liability for hiring a contractor is covered through this process. Ms. Herold stated when the City hires a contractor for City related construction projects it isn’t handled by the “Contractor Bond” process; the contract requires bonds and liability insurance specifically for the project. • Councilmember Veis asked if we could convert to electronic recordkeeping rather than paper copies. Ms. Herold responded that electronic recordkeeping is available through a certified electronic document management system, at the cost of approximately \$1.4 million. There are contractors that provide system integration and back scanning services. Ms. Volek told the Council that this would be a major purchase and the Council needed to start planning for these types of necessary technology purchases. • Councilmember Veis asked if the legal ads are required by the State and would it be possible to list those ads on the City’s website. Ms. Herold said the State does require most of the legal ads while the City’s own ordinances establish other legal ad requirements. She noted that the City Clerk’s organization tried to have posting electronic ads as an alternative, but the last legislature denied the request. The electronic posting can be utilized as a “supplement” but not a replacement for publication. The public is often referred to the website as a current source of information. Other operational statistics were presented, such as; the bi-monthly Council packet consists of about 300 pages on the average, 250 contractor bonds totaling \$2.5 million with associated insurance certificates totaling \$375 million, 23 tons of paper records in the City’s holdings, and approximately 100 public bid openings a year. • Three supplemental budget requests were submitted this year: <ul style="list-style-type: none"> ○ Additional codification costs (\$2500) - approved ○ Overtime costs (\$910) - approved ○ Agenda Automation Software (\$40,000) – disapproved • The Agenda Automation Software would eliminate the need for many copies and track the workflow through the whole review, finalization and posting process, and save a significant amount of time. 	

TOPIC #3C	Budget Review – City Council
PRESENTER	Bruce McCandless – Deputy City Administrator
NOTES/OUTCOME	
<ul style="list-style-type: none"> • Mr. McCandless covered the elected officials’ salaries, car allowance, health insurance, PERS retirement option, life insurance, and dental insurance. Mayor Tussing asked how long the benefits have been at this level. Mr. McCandless said that the benefits have been at this level for 8 years. • Councilmember Brewster asked why the City pays for the health insurance if some of the councilmembers are not enrolled. Mr. McCandless said that it’s a plan requirement. Health care is not an option. Councilmember Brewster asked why this wasn’t explained to the councilmembers when they were elected. He was under the impression that he was saving the City money by not signing up for the plan. Councilmember Veis said that he signed up because he was told that he would only get one chance to sign up for the plan. • Mr. McCandless noted that two new computers were purchased this year for councilmembers, one for the mayor and one for Councilmember Jones. Councilmember Gaghen and Veis said they had never been offered a computer. Mr. McCandless said that the IT dept. would be in touch with them. Mr. McCandless stated that membership fees and tuitions are paid for the various professional organizations to which the Council belong. • Councilmember Brewster asked the Mayor if he would be attending the U.S. Conference of Mayors. Mayor Tussing replied that he wanted to but there wasn’t enough money in this year’s budget. He’s never attended a conference so doesn’t know if the conference would be beneficial. Councilmember Boyer asked what the budget per councilmember is for management and professional development. Mr. McCandless said that under the management and professional development training \$1,350/councilmember is the amount budgeted. \$3,000 is budgeted for the Mayor’s use. Councilmembers Boyer & Brewster asked to see that portion of the budget and what has been spent. • Mayor Tussing commented that during a legislative year the Council needs to be in Helena more often in order to testify before the Legislature. July 17th Jani McCall, the City’s lobbyist will meet with the Council for a work session and perhaps give some idea of how often City officials need to be in Helena. Councilmember Brewster asked how to bring forward ideas and issues to the legislative body. Alec Hansen usually brings forth any legislative packages and reports back to the cities as the issues progress. (Mr. McCandless noted that the League of Cities and Towns primarily represents the small towns.) • Mr. McCandless returned to the Mayor & Council budget items. A new line item was added for recruitment, travel and relocation. Mayor Tussing questioned the former mayor spending \$8,000 in 2005. Mr. McCandless reminded him that it was a legislative year. Councilmember Boyer stated that councilmembers did not know how much was being spent. • Councilmember Veis asked if the City continues to get complaints on the audio system in the council chambers and, if so, where should money be budgeted to fix the sound system. Ms. Volek spoke about some issues with the room, and the variety of people “playing” with sound system. Staff is currently looking at possibly “over-riding” the system. Ms. Herold is also checking into the use of the Mansfield Center that is already set up for Channel 7 but does not have recording capability. Councilmember Brewster made the comment that long-neck mikes are needed. Councilmember Boyer said that the Council was looking for another place to hold the meetings. Mr. McCandless commented about “too sensitive” microphones because of side comments. Ms. 	

Volek noted Staff needs guidance from the Council on their wants and needs in a sound system. Councilmember Veis said that he wants a microphone that you can turn off and turn on and asked if the Council should put money into the budget to allow for the repair or replacement of the sound system.

- Councilmember Boyer commented that Billings is running behind in the use of technology and other cities have more up-to-date equipment for Council meeting use. Ms. Volek said that those cities also have a room that was dedicated to City Council use alone and could therefore equip the room for specific Council needs. Ms. Volek said they'll get information on some options and present them to the Council at a later date.

TOPIC #4	City Administrator Salary
PRESENTER	Bruce McCandless – Deputy City Administrator
NOTES/OUTCOME	
<ul style="list-style-type: none"> • Councilmember Veis asked for discussion from the councilmembers regarding the ad hoc committee's recommendation of a salary for the new city administrator of no less than \$125,000. Councilmember Ruegamer said that the Council needs to justify to the public why the new administrator would receive \$125,000 and the last administrator was paid \$90,000. Councilmember Brewster requested that \$95,000-\$125,000 be the new salary range. Councilmember Boyer asked for a range of \$115,000 to \$130,000 because "we'll get what we pay for." Councilmember Gaghen said that the citizen committee recommended \$125,000 and the Council should go with their recommendation and go as high as \$135,000. Councilmember Ruegamer replied that the Council needed to temper the salary with reason and be able to explain to the constituents the reasoning behind the decision. • Councilmember Veis quoted from Jim Mercer's website the size of the city and the salary paid to the city administrator. Councilmember Ronquillo quoted salary ranges from the National League of Cities newspaper. Councilmember Boyer said that this had been discussed a long time ago and Billings is at the bottom of the range. She said the decision should be made based on the budget and number of employees. Councilmember Veis asked if Councilmembers remembered the AEM wage trend line and literature where the city administrator was considerably below those numbers. • Councilmember Gaghen stated that the department heads are getting close to the \$100,000 mark and the responsibility level of the administrator is far greater. Mayor Tussing replied that if the individual had the necessary qualifications and deserved more then the Council should pay the individual more. He preferred a range of \$105,000 - \$130,000. Councilmember Veis said that he didn't mind a range but what he didn't want to happen is to get to the final stage of negotiation and the Council not be willing to meet the applicant's request. He added that the City of Bozeman pays its administrator \$102,000 and is a smaller city. Councilmember Gaghen asked that the Council also consider the University base salary for its President, plus all his additional benefits. • Councilmember Boyer reminded the Council that Billings is the largest city in the region and is competing with other businesses. Mayor Tussing commented that the individual needs to want to live here; it is not strictly a salary issue. Councilmember Ruegamer stated that the salary needs to be compared to what the people in Montana are earning. He added that Montana is 46th in the nation for median income. • Councilmember Boyer said the City cannot pay a minimal salary. The city administrator should be paid equivalent to a university President or a hospital CEO. Councilmember Ulledalen commented 	

that the pool of applicants is declining and the City will have to pay more to attract applicants.

- Councilmember Gaghen said that there are a lot of people in Ward 1 that are just making it and work two jobs to maintain their position. There's a big gap between them and high wage earners. Leadership is important and the City will have to pay for it. Councilmember Veis asked if the Council wants to recruit locally and would local leaders apply for \$100,000. Councilmember Ruegamer said that the Council must be responsible to the voters and that can't be compared to the private sector. Councilmember Brewster stated that \$130,000 is a 30% increase over the present salary. Councilmember Ulledalen said the two-year terms need to be eliminated and the administrator needs to stay longer. "If that requires paying more, then we should," he said. Councilmember Ulledalen added that he wants the administrator to stay for 5-10 years.
- Councilmember Ruegamer asked for an informal vote which resulted in a \$105,000 - \$135,000 salary range as a final decision to be taken to the Council at their May 22nd meeting.

Additional Information:

- Ms. Volek reminded councilmembers of two meetings:
 - Meeting of Montana League of Cities and Towns (MLCT) from 10:00-2:00 p.m. on May 16, 2006 at the Water Department Conference Room.
 - Next Strategic Planning Session on May 16, 2006, at 6:00 p.m. in City Hall Conference Room. The "assignment" for this meeting was to work on a "Vision Statement."

Respectfully submitted
Marita Herold, City Clerk