

City Council Work Session

5:30 PM
Council Chambers
January 20, 2015

ATTENDANCE:

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

Agenda

TOPIC #1:

- **Legislative Update:** Teleconference with Councilmember McCall, Lobbyist Ed Bartlett, and Lobbyist Tim Burton. Mr. Bartlett gave a general report of his observation of what was going on in Helena. Councilmember McCall was in Helena with them. Mr. Bartlett said he had sent two written reports to the Council the first and second week of the session, and he would continue to send reports throughout the session. He mentioned bills that were being discussed and asked Mr. Burton or Councilmember McCall to give an update on what might be going on with the Local Option Authority.
- Mayor Hanel asked if there was a sponsor for the bill.
- Councilmember McCall said the only way to get any interest from Legislators would be to include a 30% property tax reduction.
- Mr. Burton said in addition to 30% property tax cut, they would like to make the Authority (Local Option Tax) eligible for counties and would like to lower the fee that was kept by hotels and restaurants. He said a Montana resident who lived in a jurisdiction that had passed the Local Option Tax could keep their hotel receipt and receive a \$5 tax deduction when they filed their Income Tax for that year. He said by the end of the week they should have some good sponsors to go with the bill. He said there were also two bills; one is a placeholder drafting legislation to look at changing the eligibility criteria on the tourism tax, and the second was a bill that raised the tourism taxes from 3 to 4% with the additional 1% going towards historical preservation. It would give two other arenas to try to leverage each of those against the other so they could come out with some results at the end of the session.
- Mr. Bartlett said they had their first video conference with the Billings Delegation and the citizens of Billings; and there were a couple of Councilmembers that attended. They had a good turnout from Legislators. Mr. Bartlett said it was a good time to have the Billings Delegation together and to have exposure to some of the questions that might be from Billings. He said the City of Billings is one of several sponsors of the every other week video conference and lunch.
- Mayor Hanel asked about the draft LC 1966 on the PSC regulation.

- Mr. Bartlett said he talked with Senator Cary Smith who was close to having a Draft Bill to introduce that would require municipalities with water service utilities to be subject to PSC jurisdiction. Whenever a price was raised over a certain amount it would be a matter that would have to be approved by the Public Service Commission. The good news was it could not be retroactive to apply to the latest tiered deals the City adopted in 2014. If there were complaints, the citizens could come to City Council or to the Consumer Council in Helena. The Attorney General's office had the consumer office that could encompass complaints. Senator Smith said the reason for his bill was because he did not like that heavier users had to pay a higher instead of lower rate. Senator Smith said there were too many penalties for folks with larger lots. The bill will be introduced within the week.
- Pitman asked Mr. Bartlett to keep Council updated about LC 1355. Mr. Bartlett said Senator Doug Kary was ready to have a simple bill drafted and introduced. He was waiting for the City of Billings to say "go." If the City thought it would be helpful to assist in addressing the homeless situation, Senator Kary would carry the bill.
- McFadden asked if there were any fundamental legalities in place that might prohibit the Legislature from arbitrarily taking the authority away from a government entity and handing it over to the PSC.
- Mr. Bartlett said that up until the 1980's or early 90's, the Public Service Commission had jurisdiction over water utilities of municipalities and that jurisdiction was repealed. He was not exactly sure when and had not seen any documents; but had learned in a conversation with legislative staff. His opinion was that it was legal and the legislature could pass a law that would require it.
- Yakawich asked if Ed had a chance in the last two weeks to meet with the 12 legislators one on one.
- Mr. Bartlett said not one on one. He had talked to most of them in the halls or before or after committee meetings. He said he thought there were 23 to 27 area legislators. He went outside the city limits and even outside the county because those were the people with a big influence on Billings.
- Councilmember McCall said they were in different committees but Mr. Bartlett did a great job of engaging the legislators. As time went on, he would have an opportunity to meet one on one with all of them. Councilmember McCall said Mr. Bartlett was doing a really good job representing the City.
- Mayor Hanel asked Ed Bartlett to give an update on LC 2115 on the reserve authority and asked if it would gain some traction when the bill came forward. Mr. Bartlett said the relatively simple bill had been introduced, and the hearing was scheduled for January 22. The League did intend to go to hearing in support of the bill. Mr. Bartlett reminded Council the bill was also the result of a League Resolution that was passed at the League's meeting in West Yellowstone.
- Public Comment: None

TOPIC #2:

- **City/County Growth Policy Update**

- **Candi Millar, Planning & Community Services Director**, said every five years the state law required the Yellowstone County Planning Board to review its growth policy. The last policy was approved by City Council and the County Commissioners in 2008. They were asked to review the policy based on changes or major events that may have altered the direction of growth in the city and county. Staff determined there had been a lot of change. She said they anticipated another 18 months or so to get through it. They were also focusing on Lockwood, which needed serious updates because of its sewer. The new Billings Bypass would change the growth policy. In the end they hoped to develop scenarios for Billings' growth. They would need to go to the public and ask them what was important in terms of growth. The latest tally was 980 comments with 25 meetings held to date. The comments were good indication of what the community valued. From the comments, they would develop scenarios and assess them against their goals and objectives and see which scenarios helped achieve those goals. They would also be looking at relative costs of getting infrastructure into the different scenarios so Council could make informed decisions as to land use and infrastructure investment.

Ms. Millar provided statistics on evidence of growth. She said the growth of Billings had expanded ten square miles in ten years, which meant greater distances to provide city services. Street miles had increased almost 100 miles. She said population growth in Billings had historically been 1.5%. The current rate of growth was 2%. The 2010 Census indicated 109,059, and the current number was estimated at 111,000. If the population continued to grow at the same rate, in 20 years the population would be 151,000. The county population mirrored the city because the city made up approximately 75% of the county. Ms. Millar showed a map of the existing constraints to growth. She noted the areas designated Public Lands would unlikely be developed to urban standards. The Floodplain areas would not be developed to urban standards and would be limited. Current services could not be provided to the Future Planning Areas. She showed the Limits of Annexation Map approved by City Council and explained the red areas could receive current services. The city could accommodate 2% growth in the red areas. The city would not force annexation of properties in the red area, but would support a request. They had held 25 meetings so far where they asked (1) How do you want to grow? What type of amenities do you want to see? What was Billings missing? What do we want to see more of? Ms. Millar said the major keyword responses were Safety, Trails, Affordable Housing, Parks, River, Mixed Use, Farmland, and Walkable to name a few. (2) Where do we grow? Ms. Millar said the major keyword response was Infill. People were seeing how cost-effective building within the city limits was and reflected the desire to be closer to urban amenities. They would continue to hold meetings and work toward updating the Growth Policy.

- Public Comment: None

TOPIC #3:

- **Street Maintenance District**

- **David Mumford, Public Works Director**, said he asked the City Council on January 5, 2015, for guidance on what to do with Street Maintenance District 1 (SMD1). There were two Street Maintenance Districts – SMD1 was the downtown area; and SMD2 was the remainder of Billings. For the past several years SMD1 had run a financial deficit of approximately \$200,000. They had used HB124 to help provide funding. Each district was required to pay for itself, so districts could not subsidize each other. Following were the options that had previously been discussed.

Option A - Increase SMD 1 assessment to recover cost of District

Option B - Decrease maintenance in SMD 1

Option C - Merge SMD 1 and 2

Option D - Expand boundary of SMD 1

Option E - Merge districts and modify assessment method

Mr. Mumford said City Council asked him to meet with the downtown property owners and discuss possible reduced services or additional payment to make up the shortfall. The meeting was held last week. Option A: Making up the short fall would require a 50% increase in property assessments. As mentioned before, the downtown property owners already paid seven times more than anyone else in the city. SMD1 had only 400 downtown properties to absorb the cost of street maintenance; and SMD2 had close to 39,000. Option B: Sweeping and snow/ice removal are only services that could realistically be reduced. Downtown property owners already felt they had seen a reduction in service level due to the growth of the City. Option C: Would require approx. 5% increase in SMD 2. The impact to average residential property would be \$4.99. An annual inflationary increase would also be requested to maintain current service level. It would be equitable because SMD assessments intended to recoup cost for entire street system, not just the street in front of an individual's property. He asked Council if they should continue to look at downtown as a separate entity for street maintenance purposes. Option D: Mr. Mumford showed a boundary map of SMD1. In order to expand and bring down the rates they would need to go south of the railroad tracks and north to MSU-B. It would add streets to the maintenance district, which would be difficult with current staff. Mr. Mumford added all properties were assessed on square footage. There was a cap on vacant property. Option E: Mr. Mumford said they looked at other methods, one of which was taxable value. A concern would be that non-profits were tax-exempt. Another method considered was Vehicle Trips, which would be cumbersome and data required would not be readily available. Mr. Mumford said if Council wished to merge the two districts, the most equitable way to move forward would be to leave residential as is or even assess a flat fee regardless of area and spread the assessment across all commercial properties. He showed the following comparisons of SMD rates. He noted both Bozeman and Helena had only one district.

Property Type	SF	Billings	Bozeman	Helena
Downtown Commercial	10,000	\$706.32	\$107.23	\$227.00
Commercial	10,000	\$102.93	\$107.23	\$227.00
Residential	9,600	\$ 98.81	\$102.94	\$136.28

Mr. Mumford advised staff needed Council direction in order to proceed, as well as set their budgets. A council request was to have information provided that would show the impact of combining both districts and the impact on average businesses if they were moved and residential was left alone. Another council request was for staff to provide Council with a recommendation and the reasons for the recommendation.

- Public Comment

- ✓ **Lisa Harmon, Executive Director of Downtown Billings Alliance**, said there was a lot to talk about and a lot of questions that needed answered. Clearing snow in SMD1 was more efficient than in SMD2. She said Wal-Mart in SMD2 was paying pennies per square foot to have snow removed. Was it okay for the residents of SMD2 to subsidize Wal-Mart, Cabela's, etc.? Downtown property owners also paid into a business improvement district and two park maintenance districts. Downtown property owners were paying seven times as much for snow removal. She said none of the \$16 million Empire Parking Garage came out of the General Fund. It came from tax increment financing that came from a tax increment district made up of property owners.
- ✓ **Tom Zurbuchen, 1747 Wicks Lane, Billings, MT**, said the easy way was to combine the two districts and raise the residential property owner's tax. Then come out with another safety levy increase and see how many votes you get after putting commercial business responsibility on the backs of the residential property owners. Businesses did not pay taxes. Taxes were paid by the money they received from their customers. The customers were who paid a business tax, not the business itself. It was a local option tax they had the ability to charge. To say all commercial and industrial businesses should pay the same whether downtown or on the west end was not fair.
- ✓ **Kevin Nelson, 4235 Bruce Avenue, Billings, MT**, said they had to remember if it was a fee or a service. They agreed to a fee and the city would provide the service in the maintenance districts. He read "Improvements of public improvements include streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys." It seemed to him they were improving a public improvement by shoveling the snow, which then would qualify for tax increment financing to pay for those services. It could be balanced easily by doing away with the Downtown Billings Partnership. Mr. Nelson said he checked the county website, and they paid about \$2,900 into SMD1. He did not know what the federal buildings paid; but according to Dave Mumford no one paid. No one was forced into the districts. It seemed to him to be nothing but a smorgasbord they did not want to pay for. Maybe they realized they were taxing themselves out of business. They wanted the same service but they wanted someone else to pay for it. It was a fee for service, not a tax. If the downtown businesses wanted more services, they needed to pay for them. Either that or reduce the services.
- ✓ **Greg Krueger, 3408 St. Johns, Billings, MT**, said he was a resident of Ward V and an employee who worked downtown. He shopped downtown and used the arterials for which he was happy to pay for. As a citizen of Billings he was

- happy to contribute to what was called everyone's neighborhood. Parking lots paid less in property taxes than a beet field. Downtown parking was owned and managed by the City of Billings, and they paid for it. Downtown was not getting the same level of service a hundred years ago when the district was created. It was also unfair as a practice to tax a small base so much for so little.
- ✓ **Frank Ewalt, 2131 Phoebe Drive, Billings, MT**, said if it was a fee, you paid. The Fire Department paid for the water it used at the fire stations. That was what it should be. If it was snow removal or street maintenance, it should make no difference if you were city, county, state, or federal. If they wanted to spread it all over other commercial areas, would they take the Strawberry Festival out in front of Kohls and Scheels next year to benefit those businesses? Downtown businesses received benefits from downtown activities. He suggested thinking outside the box. Vacant properties were charged for using the streets; yet apartment buildings were not paying for each renter's vehicles to use the streets. There had to be a more fair way. He would like to see a gas tax so out-of-town visitors would have to pay for using the streets.
 - ✓ **Kim Olsen, 2112 Fairview Place, Billings, MT**, said she chaired the property owners committee. Mr. Mumford provided a great presentation. The issue was not on their minds; it was something Mr. Mumford raised. The city had grown and changed a lot since the maintenance districts were created; and it would continue to change and grow. Maybe it was time to look at getting rid of what happened before and look at the whole. Maybe they should meld it, let Public Works look at the maintenance in the city as one problem, and solve it cohesively rather than "us and them."
 - ✓ **Randy Hafer, 631 N. 26th, Billings, MT**, said he was a downtown property owner of several properties. Requirements for snow removal from downtown sidewalks was the same as in other areas of the city. They created the Business Improvement District where they assessed themselves to take care of certain downtown features including landscaping, safety and cleanliness. He had an off-street parking lot not taken care of by the city. They would be happy to pay more downtown if they actually received seven times the service as everyone else. The situation was very different when the district was first created. Over time the assessment continued to increase and the services continued to decrease. He did not think they were getting any more services. Downtown was the most efficient area to do snow removal and street maintenance because of the smaller amount of roads. It was not fair that downtown property owners were being assessed seven times as much for, at best, the same level of service as other parts of the community. Downtown was everyone's neighborhood.

The public comment period was closed.

Mayor Hanel called for a brief recess.

TOPIC #4:

- **Pre-Budget Discussion**
 - **2014 Achievements**
 - **FY2016 Proposed Budget Schedule**
 - **FY2016 Anticipated Revenues and Expenditures**
 - **Council Direction/Comments/Questions**
 - **Public Comment**

Tina Volek, City Administrator, listed the following 2014 Accomplishments:

Administration

- Completed 2015-19 Strategic Plan
- Supervised completion of the Empire Garage, and assisted with selling \$1.5 million in private space in structure
- Cooperated with Downtown Billings Alliance, Native American leaders and City staff in creating Community Initiatives, which is investigating solutions to transient issues.
- Hired new Parking Division Manager & started Downtown Parking Strategic Plan
- Purchased & installed new City Hall telephone systems
- Gave more than 50 presentations and interviews on Public Safety Levy with Police, Fire & citizen advocates
- Coordinated staff response throughout Non-Discrimination Ordinance (NDO) debate
- Prepared 2015 City Council Montana legislative priorities

Aviation & Transit

Airport:

- Successfully negotiated new, 6-year agreements with major airlines
- Outbound airfreight volumes increased 14%, inbound increased almost 7%. Commercial passenger boardings increased 8.5%. All aircraft operations (includes air carrier, general aviation, and military movements) increased 7%
- Constructed new employee parking area east of the Terminal footprint, freeing old employee lot to be reconstructed for 200+ additional public parking spaces
- Other projects included repainting Terminal interior; refurbishing airline and car rental ticket counters; installing new Terminal boiler; replacing aircraft parking ramps and all airfield automatic gates; installing new closed circuit television equipment; reconstructing part of Terminal Loop Road, and constructing a new car rental wash facility parking lot.

Transit:

- MET received an additional \$117,000 in Montana Department of Transportation funding to help cover operational expenses. This unanticipated additional funding, along with fuel cost reductions, will help reduce MET's projected FY 2014–2015 operating deficit.
- Ordered two new 30 foot transit coaches, partially funded with Federal Transit Administration capital grant. Smaller than the full coaches currently in use on the fixed route, they still are adequately sized for many of the exiting routes. Staff

feels that a portion of the fleet can be downsized to reduce both capital and operating costs.

- The Transit Group is currently conducting onboard rider surveys, boarding and alighting counts, system wide performance evaluations, and potential route and schedule changes. This will allow staff to determine if minor service changes are needed, and to offer service level changes if budgetary constraints dictate.

Finance

- Completed the FY15 Budget
- Worked on the Public Safety Levy
- Hired and trained an Accounting Manager and an Accounts Payable clerk
- Completed the FY14 annual audit and Comprehensive Annual Financial Report book

Fire

- Ladder truck bids received within allocated ERP funding limits
- Replacement of the fire investigation vehicle and the Battalion Chief vehicle
- Purchase and installed new portable and mobile Tait radios
- \$40,000 grant from Phillips-66 for a video conferencing program
- Selected new Assistant Chief

Human Resources

- Health Insurance Program had no premium increases for past three years
- Health Insurance Open Enrollment held electronically
- Affirmative Action Plan made model by FTA
- Drug and Alcohol testing performed for 209 employees
- 221 Workers' Compensation claims processed
- Property insurance program administered 276 claims and collected \$84,355 from at-fault insurers
- Administered 192 liability claims received from City departments & submitted 129 of them to MMIA
- Recruitment and selection for 119 positions
- Selected for Montana Public Employee Retirement Administration Audit-no findings

Legal

- Assisted with and provided legal advice and draft ordinance for Mayor and Council in consideration of a Non Discrimination Ordinance
- Assisted with and drafted Ordinance amending City Charter concerning the fall 2014 Public Safety Mill Levy Election
- Legal Research and presentation before Community Innovations Summit concerning transient/homeless issues & work on the transient/homeless issues
- Domestic Violence Unit Recognition By Zonta Club
- Continued intensive effort in assisting the MMIA and defense counsel in vigorous defense of the City and departments in civil litigation resulting in several dismissals

Library

- Completion and dedication of new, 66,000 square foot, state-of-the-art building
- Issued 7,865 new library cards during first six months in new building, a 174% increase over the same period a year earlier
- Selection as Montana Library Association 2014 Library of the Year
- Creation and launch of TECH Lab, through partnership with Library Foundation and Billings School District #2, with \$100,000 MacArthur Foundation grant
- 7th Annual High Plains Book Awards Banquet sold out, with hundreds of attendees from throughout the U.S. and Canada

Parks, Recreation & Public Lands

- Completed over \$1,280,000 of park projects
- Two employees received Professional of the Year Awards from the Montana Trails, Recreation and Park Association.
- Youth Outdoor Adventure Camp and Community Outreach programs received Citations of Merit for Agency Excellence from Montana Trails, Recreation and Park Association.
- 2,022 volunteers provided over 12,663 hours of service to the community. Estimated service value is \$198,392.

Planning

Building Division:

- Record numbers of permits issued: 11,770 (9,757 roofing/siding; 578 new construction; 1,075 remodels/additions, and 360 other)
- Additional Plan Examiner hired (internal, advanced from Inspector)
- New Inspector hired

Code Enforcement:

- 4,113 cases opened: (35% increase from 2013, 78% related to parking and storing trailers on street)
- Performed 1 court-ordered demolition
- 57 abandoned structures voluntarily closed, boarded, or demolished

Community Development:

- 19 houses rehabilitated
- 51 First Time Homebuyer Loans issued
- Completed homeless initiatives:
 - Community Innovations Summit
 - Billings Community Connect
 - Downtown Resource Map & Notepad
 - Youth Count
 - Homeless Play
- Sold Irma House – a non-compliant HUD funded project returning \$130,000 to the City
- Placed 100+ AmeriCorps VISTA volunteers through the Billings Metro VISTA Project

Police

- Successful prosecution of Toby Griego
- City/County Special Investigations Unit (CCSIU) recognized as Drug Task Force of the year for a four state area consisting of Montana, Wyoming, Utah, and Colorado
- Creation of a fully funded 6th SRO position in cooperation with SD2 and the Catholic School System
- Successful and seamless transition to new radio equipment
- Groundbreaking work initiated on homeless and serial inebriate problem by DBA officers Lennick and Nichols

Public Works

- Solid Waste began using CNG trucks to collect garbage. The CNG vehicles significantly reduce operating costs and air emissions.
- Produced 7.7 Billion gallons of water through water treatment plant.
- Received and handled about 335,000 tons of waste at the landfill last calendar year. That is an increase of approximately 30% from the previous year.
- PWD completed the Shiloh Conservation Area
- Street/Traffic plowed, hauled a 100+ inch year for snow.
- Added 4 MG of water storage: 2MG at Fox in the Heights and 2MG at Staples on the west end.

Ms. Volek provided the following General Fund Unassigned Fund Balance.

- | | |
|---------------------------------|--------------------|
| • Ending FY 14 Fund Balance | \$23,135,031 |
| • Less | |
| • FY 15 Recommended Reserve | <u>\$9,890,000</u> |
| • Based on FY 15 budget | |
| • FY 14 Unassigned Fund Balance | \$13,245,031 |

Ms. Volek provided the following 2016 Anticipated Issues.

- Union Negotiations w/Teamsters & MPEA; wage opener w/IAFF
- Determine future of Public Safety Levy/Charter Amendment
- Refresh Priority-Based Budgeting
- Conduct citizen survey
- Address space issues:
 - Municipal Court
 - Evidence Building
 - 911 Communications Center
- Continue Downtown development and parking
- Create transient solutions
- Acquire patrol officers' body cameras

Airport

- Expansion of Public Parking Lot
- Under Runway Borings for Future Utility Work
- Aircraft Parking Ramp Replacements
- Terminal Area Design Work for Future Renovation/Expansion Projects

- Replacement of Terminal Escalators
- Replacement of the Backup Generator for the Operations Center
- Airfield Fencing Additions
- Fire Training Center to be constructed @ Airport
- Nine Community Transportation Projects to be completed by Public Works & Planning for a total of \$1 million.
- Public Works will use SBBURD TIF funds to reconstruct Calhoun Street for approximately \$2 million.
- Water/Sewer line ongoing replacement
- Develop public/private recycling partnerships
- New Sanitary Sewer Plant construction to begin, estimated cost \$64 million
- Complete Growth Policy
- Identify use/management of Babcock Theater, due to be turned over to City in 2017
- Park Maintenance District Proposed Projects:
 - Poly Vista accessibility compliance – \$75,000
 - Restroom remodel & replacement at 6 parks - \$400,000
 - Playground fall protection & equipment at 6 parks - \$150,000
 - South & North park tennis & basketball courts – \$109,964
 - Park irrigation at Poly Vista & Veterans - \$100,000
 - Public address systems South & Rose parks; pump, chlorinator & gutter grates at Rose--\$50,000

Ms. Volek presented the following Questions for Council Direction.

- Increase revenues or cut services, or both?
- Are there any areas that should not be addressed?
- Are there additional, long-term areas that should be addressed?
- What other items does Council wish to discuss?

Comments received from City Council:

- Public wants reserves used versus cutting services.
- Would like to see both increasing revenues and cutting services explored. Is the City going to cut spending? Maybe a percentage across the board?
- City should try to always plan ahead. Sometimes not given a choice.
- Hoped with fee increases and any tax increases they could have a general idea of trying to put it all together rather than a fee here or a fee there. A vision of all of it together would be helpful.
- Some services were paid for by fees and some by revenues. There was a big dividing line, and they needed to be realistic.
- Flat fee would not work because they were comparing apples to oranges since departments were not structured or funded the same. They were only talking about General Fund. As a word of caution, they were a growing city that had remained lean and mean for a decade or better. People would provide a lot of comments on what to cut; but as soon as the cuts started, people would not be happy with them. Did not want to see them start cutting at the expense of the

City's own growth because they were already behind in what they could do in providing basic maintenance services. They needed to be very cautious.

- We have a good problem. They needed to look at it in an optimistic manner. It was not all doom and gloom. They were having budgetary problems because the city was doing well. Felt they were very limited to increase revenues because of the cap in the Charter. They increased revenues at an absolute minimum on fees for services.
- Would be interested in hearing more from the Police Chief and Fire Chief about charging fees for excessive services. Owe it to the public to show they were looking at it.
- The City was growing, and everything was positive. There was even some extra money that bought them more time so they were not necessarily operating in a crisis mode. Very important the next couple of years to invest in Priority Based Budgeting and have the discussions. Between Priority Based Budgeting, the Growth Policy, and Community Conversations, there was a lot happening that was positive. If they let it work, they would solve the issues. There was not one thing that would save or destroy the City.
- The public would expect the City to spend the reserves down with exception of the 29% required before asking for more money.
- Needed to have better public communication on what the City was doing. The Parks Department had an awesome website. The City's website was not so great.
- Had received complaints about City's website and the ability to find things. The Parks Department had done a stellar job.
- Would like to see increasing revenues in a fair and equitable manner to at least maintain current services. Not in favor of cutting services or staff at this time.
- Need to be careful on fee increases.
- Look at the General Fund, do the Priority Based Budgeting, and move forward.
- Staff had done a very good job being diligent with their money, which was why they had reserves.
- **Public Comment**
 - ✓ **Kevin Nelson, 4235 Bruce Avenue, Billings, MT**, said he knew how much less it cost to fill his gas tank, and he could not imagine that some departments were greatly affected by the drop in gas prices. It had to have an effect on their budget. Did the City have a mechanism to re-address contracts for spring work because road oil would be a lot cheaper than when the project was bid? The City had excessive reserves that could be utilized to offset any increase in revenues. The reserves were beyond what was necessary.
 - ✓ **Tom Zurbuchen, 1747 Wicks Lane, Billings, MT**, said they did not have a dedicated reserve of 29% until 2010. In 2003 the dedicated reserves were 3.3% of expenditures. Between 2003 and 2010, some years did not have a dedicated reserve that he could find. The 2010 resolution said the reserves would be reviewed in five years, so next month they would have an opportunity to review them.

The public comment period was closed.

TOPIC #5:

- **Council Discussion** – CM Bird said they needed to talk about taking the lead on the Community Conversations. They needed to get their topics together and move on with the planning sooner rather than later. Ms. Volek said there would be other opportunities this year such as the CIP public meetings, Annexation Plan and Growth Policy discussions, and the public hearings on budget. She and CM McCall had discussed getting started on the Community Conversations. Mayor Hanel commended CM Yakawich for his involvement in Martin Luther King, Jr. Day activities.

TOPIC #6: Public Comment on Items not on the Agenda

- ✓ **Kevin Nelson, 4235 Bruce Avenue, Billings, MT**, said the Board of County Commissioner's agenda today under County Attorney included a request for authority to file suit against a certain person. He asked if the City Council voted to file the case against the Billings Gazette as a private party. Mayor Hanel told Mr. Nelson there was pending litigation; therefore, he could not respond. Mr. Nelson said his concern was that he did not believe the City Administrator or City Attorney had the authority to take the action upon themselves. It would draw tremendous attention to the City of Billings because it infringed on people's constitutional rights to observe and to review documents.
- ✓ **Tom Zurbuchen, 1747 Wicks Lane, Billings, MT**, said he wanted to talk about Charter violations committed by the City Administrator. First, on the declaration for emergency snow. Yes, City Code does have a section for snow emergencies. That section is quite interesting to read. It says snow emergency notice will be published in the Gazette, not the Gazette, in a newspaper with city-wide circulation between October 15 and November 1. It also says snow emergency routes will, there would be signs posted at the major entrances to the city informing people of snow emergency routes and the possibility of a snow emergency being declared. None of that was done. The Charter in 4.03.B. says the City Administrator will enforce all code. When she enforced the part where she can declare a snow emergency, but there was no advance notice in the paper and there was no signs at the City entrance. That's not enforcing the code uniformly at all. That's picking and choosing. Then there is the fact that there is a long-standing city council policy that was last voted on January 27, 2014, by the 11 members of the city council. That vote prohibited a public meeting with the public hearing to discuss expenditure of money for plowing residential streets. It flat prohibited (inaudible); it said "no, we are not going to go there." Now 4.03.A. of the Charter clearly says the City Administrator shall enforce all policies of the city council. She totally turned this one backwards completely for appropriating funds, as well as for plowing residential streets. Both were voted no. This is a democracy, and a democracy means majority rules. It doesn't matter if you are for or against plowing residential streets. These are charter violations. Then, just like Mr. Nelson just brought forward. The lawsuit against the Gazette. Now when the City Attorney's budget, legal budget is discussed, you're appropriating tax

dollars to defend the City against lawsuits. Look at contracts, study contracts, and tell the good and the bad of a contract, as well as negotiate the contract. Defend the City against lawsuits and inform the City of its legal stake. Nowhere has there ever been a discussion that this City would sue any entity; let alone the Gazette. This costs money to sue the Gazette. There's attorneys, and they're paid with tax dollars. This is an illegal appropriation. It's never been brought forth in a public meeting. Even when you sue for condemnation, that's a lawsuit. The city council votes on suing for condemnation. You've got to appropriate money. That's state code, and that's violated with this appropriation and this lawsuit against the Gazette. Now everybody here, all 11 of you, took an oath of office and part of that oath was to enforce the Charter. You can't enforce the Charter by ignoring Charter violations or sweeping them under the carpet. You're forced to act. You're the only ones that can act here; is the city council. The City Administrator is in charge of the agenda for council meetings. She's not going to put a clause in there to discuss her termination for contract violations. You have to do it, and your only recourse against her is termination because the Charter says right in it being guilty of a prohibition of the Charter is reason of forfeiture. Now that's exactly what she did. She ignored city council policy and did the exact opposite. She is prohibited from doing the opposite of the city council policy. You must terminate Tina Volek as City Administrator with cause. And, yes, that means no severance package and immediately start looking for a replacement City Administrator. Any questions?

The public comment period was closed.

ADJOURN TIME: 9:45 p.m.