

City Council Work Session

September 8, 2009

5:30 PM

Community Center

Meeting was not recorded due to recorder not being turned on.

ATTENDANCE:

Mayor/Council (please check) x Tussing, Ronquillo, x Gaghen, x Brewster, x Pitman,
 x Veis, x Ruegamer, x Ulledalen, x McCall, x Astle, x Clark.

ADJOURN TIME: 7:43 p.m.

Agenda

TOPIC #1	<i>Public Comment</i>
PRESENTER	
NOTES/OUTCOME	

- **Joe White, Billings, MT** spoke about pine bark beetles.

TOPIC #2	<i>Performance Contracting</i>
PRESENTER	
NOTES/OUTCOME	

- Mark Evangeline of the Energy and Conservation Commission reviewed the request for proposal development. He said it was sent to the pre-certified contractors, and three responses were received. He advised that staff recommended McKinstry, and the contract development and scope of work was within the City's control. He explained that the technical audit was next and payment would not be made until that part of the project was executed, which would be when the engineering was done and the financing was secured. He said the energy savings would pay for the capital investment. He advised that it was guaranteed by the contractor, but the length of the guarantee term would determine the costs. Mr. Evangeline advised it would be an agenda item when the contract was developed.

TOPIC #3	<i>East Billings Incentive Agreement</i>
PRESENTER	
NOTES/OUTCOME	

- Councilmember Veis reported that the proposed resolution and agreement were in the Friday packet. He explained that the annexation agreement was due January, 2010. He said TIF money could be used to pay system development fees or they could be paid over

five years. He advised that the area could get up to 10% of a valuation increase to pay for public improvements. He stated that there was no guarantee that a property would get city services and infrastructure if annexed, even if that was the intent.

- Mayor Tussing asked if there were no incentives if the agreement was not done by next year.
- Councilmember Veis said it could end; the Council could decide to extend the incentive; or the time of the sunset could be extended.
- Councilmember McCall asked if property owners had seen this proposal.
- Councilmember Veis replied that only the committee had seen it. He said Marty Connell and Mr. Kunkle would talk to owners once Council approved the policy. He said a meeting could be held with property owners and Council, if needed.
- Councilmember Gaghen reported that property owners and BIRD were motivated to get owners to annex.

TOPIC #4	<i>Community Conversations Agenda & Questions-Final Review</i>
PRESENTER	
NOTES/OUTCOME	

- Councilmember McCall referred to information that was emailed on Friday. She distributed two other documents that outlined what Leadership Montana leaders would do at the community meetings. She referred to a list of attendees and noted that anyone was welcome to attend.
- Mayor Tussing confirmed that his role at the meetings was for welcoming, and not as a table host.
- Councilmember McCall stated that Councilmembers Pitman or Brewster could do the welcome if the Mayor was not present. She stated that staff had done an incredible job and recognized Liz Kampa-Weatherwax, Bill Cochran, Mike Whitaker, and Lisa Posada-Griffin. Councilmember McCall recognized Councilmembers Clark, Gaghen, Ruegamer, and Pitman as well. She stated that she understood that some things might change as the meetings occurred, depending on the meeting size.
- Councilmember Ruegamer advised that he would attend as much as possible even though he would become a grandfather soon that could change his plans.
- Councilmember Gaghen stated that written comments were also allowed.
- Councilmember McCall explained that Ms. Posada-Griffin put together a post card that could be left at the meeting or mailed later. She advised that Mary Hernandez was leading the sessions this week and Bruce Whittenberg was scheduled for next week, along with four or five table facilitators. She advised that the last handout was for budget/services discussion.
- Councilmember Clark commented that it was a hard-working committee.

TOPIC #5	<i>Preferred Growth Areas Overlay for Limits of Annexation Map</i>
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PRESENTER	
NOTES/OUTCOME	

- Planning Manager Wyeth Friday reported on the Annexation Committee recommendation as a follow-up to the revised annexation policy that the Council adopted in June. He said there were no changes to the map, but described the map changes that Council approved previously. He explained that a Council strategic plan goal was to identify preferred areas of annexation, and the committee was responding to that goal. He said the map would show preferred and conditional areas within the five-year horizon. He used the Motor Power annexation as an example of preferred annexation because all services were in place and no extensions were needed. He noted that conditional annexation would be the Lenhardt Square annexation where conditions had to be applied to water consumption. Mr. Friday advised that School District #2 needs were considered and that Kathy Olson from the District was a committee member. He stated that the committee could bring recommendations for Council action later this fall. He said the recommendation would also be to amend the city code to adopt the annexation policy as code or to delete the urban planning area references that were presently in the code.
- Councilmember Veis suggested using three colors - red for preferred, yellow for the five-year horizon and orange for the long-range planning area.
- Mr. Friday responded that it could be done that way.
- Councilmember Veis stated that the intent was to signal developers where development was wanted and the preferred area should be clear.
- Councilmember Brewster stated that the all red areas indicated the City was willing to annex, but the light red was likely to cost more money because there would be special conditions or costs to extend utilities, etc.
- Mr. Friday advised that the map could reflect that the timeframe for annexing the light red areas could be longer, so developers were cautioned not to annex all their property now unless they were willing to pay a lot or until other services were expanded, such as fire services.
- Councilmember Ulledalen asked how the City could offer incentives to annex or not annex the areas. He commented that a lot of money went into the ground to Briarwood and Ironwood, so faster development would pay the City back sooner.
- Mr. Friday referred to the Grand corridor and explained that it was identified because water and sewer lines were in place in that street. He said there were still some gaps and not always straight forward.
- Mayor Tussing asked Mr. Friday if he was looking for direction.
- Mr. Friday responded that he was. He asked if Council wanted to move ahead as presented, wanted changes or did not want it forwarded to Council.
- Councilmember McCall asked if the urban planning area code was antiquated. She said it needed to be thoroughly analyzed before eliminating it from the code.
- Mr. Friday stated that the west end area did not provide any direction to staff or developers.

- Councilmember Veis referred to earlier discussion about an incentive agreement for east end and not showing it as preferred. He said he understood why it was not designated as preferred because utilities had to be installed, but it was an area he preferred to annex and grow. He suggested using another term besides “preferred.”
- Mr. Friday advised that he recognized that conflict last week, so he took it off the map as preferred. He noted that it could be added back to the darker color but the term may have to be changed.
- Councilmember Ulledalen asked if the Police Department was consulted because it could not expand with fees.
- Mr. Friday responded that the PD was consulted and that was part of the reason some of the areas in west end and south were designated preferred because the PD 1 and Fire Station #7 substations. He added there was no such area in the Heights because there was not a substation there, which slowed response times. He said there was some consideration for number of patrols, but mainly location of fixed facilities.
- Councilmember Brewster explained that annexations used to be based on utilities, not other services. He said if decisions to annex were based on utilities, the City should talk with Yellowstone County and Laurel about a countywide district.
- Ms. Volek stated that Mr. Mumford had talked with Laurel about that but there was not much interest.
- Mr. Mumford advised that was correct. He said Laurel might be interested in buying the City’s water, but was not particularly interested in a joint operation.
- Councilmember Ulledalen stated that firm standards could be set that drove development to the county. He commented that fringe developments cost and the City should not subsidize them. He asked if policies were in place to protect the City.
- Ms. Volek explained how the Lockwood study differentiated from Briarwood and indicated that the City should always require that kind of study for annexation.
- Mr. Friday advised that the subdivision regulation amendment discussion with BOCC in 2006 was to have unified regulations with an urban transition area. He advised that BOCC was not interested.
- Mayor Tussing stated that a cost/benefit analysis was easy for utilities and roads, but not for public safety. He explained that at one time, the Police Department could not make a negative comment about annexation, but he did not know if that was still the case.
- Councilmember Veis stated there were lots of variables based on the kind of development that occurred.
- Councilmember Ulledalen stated that it may be necessary to better balance utilities motives and with services that were funded in other ways.
- Mr. Mumford stated that system development fees were not a driver. He said that 40% of income over the past 10 years was due to growth. He explained that inflation hurt the City because rates could not keep up, and without growth, the City would be even further behind. Councilmember Ulledalen agreed.
- Ms. Volek commented that the cost/benefit was important.
- Mayor Tussing asked if Fire Station #7 and the Police station at the same location were staffed. Ms. Volek responded that it was staffed part-time with a clerical person

- Mr. Friday advised that an urban planning area study was required. He said it should not be there; it should tie to the annexation policy as a services extension study and could add cost/benefit analysis.
- Mayor Tussing stated that parks maintenance and other items were not addressed.
- Councilmember Ulledalen commented it was a delicate balance for most of the City services when property was annexed. He stated the City was probably on the edge of how much more expansion could be done without damaging police services.
- Councilmember Pitman referred to the Inner Belt Loop construction expected next year, and pointed out that it was a yellow area.
- Mr. Friday advised that the land use plan should go along with the road.
- Councilmember Brewster stated the Briarwood policy was that annexation had to be done if services were wanted. He suggested re-examining that policy if the City did not want to grow other services as utilities were demanded.
- Councilmember Veis commented that the Inner Belt Loop was an example of where a good cost/benefit analysis was needed. He added that the City needed to know what it was going to cost.
- Councilmember Ulledalen stated he did not want leapfrog development.
- Councilmember Veis stated that the yellow around the road would show developers that it would take a lot to convince the City to annex the area.
- Councilmember Astle commented that the Cloverleaf and Wells Acres homes were nice, but the utility systems would fail and those residents would want City services at the expense of City residents.
- Councilmember Brewster stated that the policy should be changed so the City could sell utility services without annexation.
- Councilmember Veis commented that Lockwood and Briarwood were poor examples.
- Ms. Volek explained that water districts in multi-jurisdictional areas made sense and worked well. She said the County had a history of not maintaining water and sewer systems and it was a major expense to upgrade them.
- Councilmember Brewster suggested considering a district and making the BOCC seriously consider it.
- Mayor Tussing asked what direction should be given to Mr. Friday. He asked if Council agreed with preferred areas but wanted a cost benefit analysis on all annexations.
- Mr. Friday asked if a different scale of development controls would be wanted when cost benefit was required.
- Mr. Friday advised that staff was working on an infill policy that would return to Council. He said it may have some elements that would apply to the preferred growth area discussion too.
- Councilmember Veis asked if Mr. Friday could differentiate the level of study by the colors on the map.
- Mr. Friday responded that was one way it could be done.
- Councilmember Ulledalen stated that might be a driver toward larger scale development that lead to more comprehensive planning.

- Councilmember Ulledalen stated that impact fees were needed so growth paid more of its own costs.
- Mr. Friday noted that infill policy review may more closely tie infill to the CIP.

TOPIC #6	<i>Criteria for Disposal of Parkland</i>
PRESENTER	
NOTES/OUTCOME	

- Parks, Recreation and Public Lands Director Mike Whitaker and Parks Planner Mark Jarvis reviewed the “Go and No-Go” questions, along with additional questions that would be given a number score.
- Councilmember Pitman suggested a question regarding willingness to create a park maintenance district to maintain the park once it’s developed.
- Councilmember Ulledalen asked about a starting point. He suggested starting with the most logical targets such as Lampman, Pallsades, or Rimpoint Parks.
- Ms. Volek asked if Council wanted to nominate a park in each ward.
- Councilmember Veis said it needed to be made clear that this scoring was just one factor and Council scoring and decisions were the key factors.

TOPIC #6	<i>Computerized Packet Overview</i>
PRESENTER	
NOTES/OUTCOME	

- City Clerk Cari Martin provided an overview of the newly-implemented agenda software. She reviewed the savings that would be realized by eliminating multiple copies of the agenda packet. Mayor Tussing and Councilmembers Ruegamer, Astle and Aghen requested printed copies of the agenda packet.

TOPIC #6	<i>ARRA Recovery Zone Bonds</i>
PRESENTER	
NOTES/OUTCOME	

- Assistant City Administrator Bruce McCandless described the bonding authority. It was suggested to ask if the State could partner with the City for the College of Technology library.

Additional Information:

- None.