

City Council Work Session

October 4, 2010
5:30 PM
Council Chambers

ATTENDANCE:

Mayor/Council (please check) X Hanel, X Ronquillo, X Gaghen, X Cimmino, X Pitman, X McFadden, X Ruegamer, X Ulledalen, X McCall, X Astle, X Clark.

ADJOURN TIME: 7:55 p.m.

Agenda

TOPIC #1	<i>FY10 Fourth Quarter Budget Update</i>
PRESENTER	
NOTES/OUTCOME	

Ms. Volek advised that Financial Services Manager Pat Weber was present if there were questions about the budget report that was distributed. Councilmember Ulledalen referred to the recent approval of significant pay increases and asked when the impacts on fees or services would be known. He said he would rather know that sooner or later and asked for projections. Ms. Volek said the packet included a breakdown of the costs for each department for the two contracts that had been settled. She advised that at the end of the previous year, \$1.8 million was returned to the General Fund reserve, and some reserve funds would be used to pay for the increase. Mr. Weber explained that most departments projected pay increases in their budgets and he did not anticipate any fee increases as a result of the contracts.

Mayor Hanel asked for an estimate of delinquent property taxes. Mr. Weber explained that a projection was made each year that about 4-5% would be delinquent, so there was probably about the same amount outstanding as the current amount of \$300,000.

The public comment period for that item was opened. There were no speakers, and the public comment period was closed.

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

Ms. Volek introduced Mark Evangeline, Airport Facilities Superintendent and lead staff person on the project. She commended Mr. Evangeline for his work on the project and said an excellent review had been done.

Mr. Evangeline introduced Tim Tolman from McKinstry, the firm that was conducting the City's building audit. Mr. Evangeline provided an explanation of performance contracting, which was a mechanism that allowed an entity to do energy improvements and to pay for those

improvements with energy savings. He said the company that estimated the savings guaranteed that amount and would provide payment if the savings were not realized. Ms. Volek mentioned that there were a limited number of firms in Montana that were endorsed by the State to do that work and provide the guarantee.

Mr. Tolman provided an overview of the performance contracting project and the guarantee provided. He said it guaranteed that the energy savings exceeded the cost of any energy-related project. He reviewed what had occurred since the selection of their company to complete the project that included an audit and identification of potential savings. He said the current stage of the process included meeting with the departments to determine if the measures were feasible and determining real costs. He noted that local consultants and contractors were utilized for the projects. He explained that grants and/or low costs funds would be sought to finance projects. Mr. Tolman stated there was a lot of potential with City facilities. He said a presentation would be made to the Council in the near future regarding potential costs and savings for a determination if the City would move forward with any of the proposed projects.

Mayor Hanel asked Mr. Tolman to introduce his staff. Mr. Tolman introduced Jeff Davis, the person in charge of the project.

Councilmember McCall asked how long the company had been involved in performance contracting. Mr. Tolman said it was 15 years. Councilmember McCall said she had questions about performance contracting when ARRA funds came out and she heard that would be a major component of that. Mr. Tolman said the energy efficient industry was not experiencing a bad economy because it was more efficient to work toward energy savings. He advised that his company was working with the University of Montana, Montana State University, the Great Falls school district and others that totaled 10 million square feet of properties.

Councilmember Pitman asked who managed the projects once they were agreed upon. Mr. Davis explained the process and said McKinstry remained with the facility and operating team throughout the process.

Mr. Evangeline advised that the audit was paid for with ARRA funds. He explained that the City received \$250,000 in ARRA funds, and the cost of the audit was \$288,000. He advised that the balance of the audit cost would be built into the construction projects for the departments, and if a department chose not to participate, they would pay for their portion of the study, which would be minimal.

Councilmember Gaghen asked if the \$288,000 was for the construction projects also. Mr. Evangeline explained that the \$288,000 was the cost of the audit and construction projects would be funded by departments, which should be paid back through energy savings. He said they were looking at a 15 year payback period.

Councilmember Pitman asked if the departments had the option to opt out, or if it would be the Council's decision whether the program was implemented. Ms. Volek explained that the Council would approve the contract that included the participating departments, but departments that chose to opt out would have to have very strong reasons why.

The public comment period for that item was opened. There were no speakers, and the public comment period was closed.

TOPIC #3	<i>Energy Star Program</i>
PRESENTER	
NOTES/OUTCOME	

Facilities Director Saree Couture said Mary McNally of the Energy and Conservation Commission made a presentation to the Council about the Energy Star Program in September, 2009. She said that proposal was to make Billings an Energy Star City. She explained it would allow the City to set benchmarks on buildings where they were currently, and then set goals. She spoke about the \$50,000 ARRA grant that would allow MSU-Billings to provide energy savings information to the public. She said the City was ready to enter the data about its buildings into the Energy Star system.

Mary McNally, Professor of Business at MSU-Billings, explained the Energy Star Program and said it made sense now through the performance based contracting because the City was doing it and would be able to provide the results to the public. She said she learned through her time on the Energy and Conservation Commission that the public did not know what the City was doing. She said the project had two components, one was research. She explained that a survey was conducted during the summer and the follow-up that would be done later. She said the second component was a social marketing campaign that students worked on during the spring semester and during the current semester. She explained that a website would be developed to link it to the City's to serve as an information source.

Dr. Keller from MSU-Billings reported that her students in upper level and graduate communication studies worked on the campaign to determine the audience and what needed to be advertised in order to inspire behavior change in energy conservation. She reviewed objectives that were identified after the studies. She said most people understood the energy shortage issues, but did not have much faith in what they could do that would make a change or an impact. She advised that other energy campaigns throughout the world had been reviewed and they found that simple changes had been the most successful.

Dr. A.J. Otjen, Marketing and Advertising Professor from MSU-Billings, explained that her students tested several campaign ideas before selecting the one used. She said that although the campaign focused on small changes, if everyone did them, there would be big changes. Dr. Otjen reviewed the media plan. Dr. Otjen stated that the media plan should result in a behavior change of 2-5%.

Councilmember Ruegamer asked if their overall objective was to inform people what the City was doing to save money. Dr. Otjen explained that they intended to direct people to the website to see what the City was doing and what citizens could do to save energy.

Councilmember Pitman asked Mr. Tolman if he had worked with that group. Mr. Tolman said he reviewed the ads they were proposing and felt it was a good way to distribute public information and McKinstry supported it.

Dr. Leonard advised that she worked with several interns to write the content of the website. She illustrated a design of a proposed website and reviewed the proposed content.

Councilmember McFadden commented that rather than the City patting itself on the back, he hoped the website focused on being a service the public. Dr. Leonard advised that the purpose of the website was to provide all the good information in one place.

Councilmember Pitman asked who would manage the website. Dr. Leonard said MSU-Billings would control it for the next three years, then it would be decided whether the City would take it or another entity. She said they had met with the City's IT Department about that possibility. Councilmember Ulledalen commented that it would enhance traffic to the City's website.

Councilmember Pitman asked how a City became an Energy Star City. Ms. McNally explained that the Mayor had to send a request, and then it was up to the City to identify benchmarks and show progress. Councilmember McCall stated that it tied into the LEED certified buildings.

Dr. Otjen described media ads that would be aired on local television stations. Mayor Hanel asked if the program was being taken into the elementary schools. Dr. Otjen advised it was only focused at the college level.

Student Amber Kelly provided an explanation of the program and achievement goals to save money and energy.

Councilmember Gaghen commented on the subtlety of the message in the media ad that showed people turning off lights, and using the bicycle trails. She said it set the standard for the state and region.

Councilmember Pitman suggested using that presentation during the community conversations.

Ms. McNally referred to the media plan and spoke about a public launch of the campaign, targeted for November.

Councilmember Ronquillo commented on partnerships with utility companies that went into the schools and offered grants to assist people with energy projects. Ms. McNally advised that the school district was considered an Energy Star. Councilmember Ronquillo stated that ConocoPhillips needed to be included in that list.

Ms. Volek introduced other members present from the Energy and Conservation Commission: Deb Singer from Northwestern Energy, and staff members Wyeth Friday and Mark Evangeline.

Councilmember Pitman asked how long it would take to get certified as an Energy Star City. Ms. Couture explained the status of the application process. Mayor Hanel said that action would be done with the Council's acknowledgement.

Councilmember Gaghen asked the interns present that worked on the project to stand. A round of applause was given to those students.

The public comment period for that item was opened. There were no speakers, and the public comment period was closed.

TOPIC #4	<i>CTEP Project Presentation</i>
PRESENTER	
NOTES/OUTCOME	

Transportation Planner Lora Mattox advised that the City did not accept CTEP applications the last year while dealing with the Main Street underpass and other projects. She said ARRA funds allowed completion of the Main Street tunnel and there were cost savings in the CTEP funds which allowed the City to open up applications. She stated that seven applications were received. She said each applicant present would review their projects.

Deputy Public Works Director Vern Heisler advised that Public Works turned in three applications and that he would provide a detailed explanation of each project in no specific order.

Mr. Heisler explained the project application for sidewalks on Central Avenue from 29th Street West to 32nd Street West. He advised that the total cost was \$102,000, with \$88,000 coming from CTEP and Public Works providing a \$13,000 match. Councilmember Astle asked

if the road would be cut off to prevent it from being a four or five lane road. Mr. Heisler explained that the department was considering several heavily traveled roads and coordinating with the CIP, but regardless, there would always be the desire to have bike/pedestrian paths.

Councilmember McFadden asked about multi-use trails to save money and space. Mr. Heisler explained the best option was determined for each individual project. He said that sidewalk would not be constructed without CTEP funds.

Mr. Heisler explained the proposed annual ADA ramp project application. He said it would allow construction of about 115 ramps, with a cost of about \$2600-2700 each, depending on site conditions.

Councilmember Ronquillo asked about a sidewalk at 9th Avenue South and South 31st that did not have any handicapped access. Mr. Heisler explained that the plan was to do the work at a selected corridor. Councilmember Ulledalen asked if some of the work was required to be in ADA compliance. Mr. Heisler explained that the work was required and stemmed from the Department of Justice agreement. Mr. Heisler said the estimated project cost was similar to the previous project with CTEP funds and local match.

Mr. Heisler explained the application for Rimrock Road sidewalk, curb and gutter from Forsythia to Stanford. He said the project was similar to the section east of it. He reviewed the proposed timeline and advised that the CTEP application was for \$498,000 with a match from the City of \$50,000, and \$170,000 from property owners.

Mayor Hanel commented that the contractors on the project along 17th Street West worked well with the neighbors and he had received comments to that regard.

Mike Nelson of Northern Hotel presented his CTEP application for replacement of sidewalks along 1st Avenue North from the alley to Broadway and Broadway to Montana Avenue. He explained the poor condition of the sidewalks and that they were not ADA compliant. He explained that high voltage lines, HVAC, and electronic equipment would be installed under the sidewalks and the current condition would allow water damage. Mr. Nelson explained that the sidewalks were in addition to the Northern Hotel renovation. He advised that the cost of the project was \$229,000 with the hotel paying \$31,000 toward it. He said the project would result in new sidewalks that were ADA compliant and would eliminate the safety concern with the existing planter.

Sarah Hudson, Community Development Specialist of Big Sky Economic Development Authority, advised that the Board of County Commissioners asked the BSEDA to prepare an application on behalf of MetraPark for an ADA compliant system to move pedestrians from the upper ramp to the Metra arena and from the lower ramp to the exposition area. She said the entire cost would be approximately \$800,000 with \$692,000 to come from CTEP funds and the remainder from local match. She said the sidewalk would be maintained by the County and MetraPark.

Councilmember Cimmino asked Ms. Hudson if the project was for something new or a replacement of an existing sidewalk. Ms. Hudson explained that it was both – some would be new and what could be restored would be used. She said some of the project was to repair damage that occurred during the June tornado. Councilmember Ronquillo asked if the stairway from the upper lot would be retained. Ms. Hudson said it was her understanding that it would be replaced.

Councilmember McFadden asked if it was correct that when a sidewalk was replaced it had to meet ADA standards. Ms. Hudson said that was correct.

Councilmember Ulledalen asked if there would be improvements with connectivity. Ms. Hudson said it would work in conjunction with the Bench connection. Planning Manager Wyeth Friday advised that it was his understanding that it would help facilitate connections with Bench Boulevard.

Ms. Mattox presented the Broadwater Connection project which was a connection from Zimmerman and Broadwater to the trail at Lillis Park and to Will James Middle School. She displayed pictures of the unimproved trail that was currently being used. She said the CTEP request was for \$335,000, with a local match of \$51,970.

Ms. Mattox presented the 25th Street Bridge project that the Council had previously considered and was approved by the Policy Coordinating Committee as a number one priority. She said the bridge would cross 25th Street to a parking lot that would be improved and would allow RV parking for Montana Avenue. She advised that the request for CTEP funds was \$718,000, with a local match of \$111,000.

Ms. Mattox said the total funding through CTEP, including carryover funds, was \$2.2 million, and the requests totaled about \$2.8 million. She said the first step of review was to go to the Technical Advisory Committee (TAC). She reported that the recommendation of TAC was to fund the 25th Street Bridge and MetraPark project with full funding; complete the trail from Zimmerman and Broadwater to Lillis trail, but to remove the Will James connection and seek other funds for that portion of the project. She advised that for all remaining projects except Central Avenue, TAC recommended decreasing CTEP funds by one-third, which allowed all the projects to receive funding.

Councilmember Ruegamer expressed his skepticism that the 25th Street Bridge would get much use. Ms. Mattox said that they were used in other places. Councilmember Ruegamer spoke about one he had seen in Missoula and he had only seen one person on it. Ms. Mattox stated that she heard from people in Missoula that it got used, but there were problems with its elevator and graffiti. Councilmember Ronquillo stated he was worried about the bridge maintenance and whether it would get used. He said he could not see that 20 years down the road someone would park on 25th and use the bridge to get to Montana Avenue. He said he felt it was a waste of money and could be better spent on something like homelessness. Ms. Mattox clarified that there was no elevator in the design and there would be an agreement in place with the Business Improvement District for maintenance of it. Ms. Mattox said the item would be before the Council at its October 12 meeting for the Council's representative to take a recommendation to the PCC meeting. Councilmember Ronquillo asked who had the liability on that bridge because he was concerned with incidents involving the railroad. Ms. Mattox advised that she understood that the City insurance covered any incidents that would occur over the railroad right-of-way. City Attorney Brent Brooks explained the City's coverage with MMIA. Ms. Mattox advised that the design of the bridge would include some caged fencing. Councilmember Ronquillo advised that the railroad could cut off access if there were problems. Mr. Brooks advised addressing concerns in easement documents.

Councilmember McCall expressed her support for the bridge because of the connectivity.

Councilmember Cimmino asked for background information about the project. Ms. Mattox explained that it was a recycled bridge from Joliet and that the City applied for it several years ago. Councilmember Cimmino asked why the PCC ranked it as a number one priority. Ms. Mattox said she thought they felt it was a much needed connection. She displayed an illustration of the proposed project and adjacent parking, but noted that the parking lot was not part of the current project application.

Councilmember Ulledalen commented that it might not make sense at the current time, but may later. He spoke about one he saw in Roanoke, Virginia. He said the Signal Peak project would increase rail traffic and it would increase connectivity. He said there would be more traffic with the potential convention center and connection to that area might be needed for development. Ms. Mattox explained that Minnesota Avenue had joined the list of National Historic Places which could result in funds for development.

Councilmember McFadden spoke about traffic that would have to detour from 27th Street and by the time the detour was made, the train would likely be gone. Ms. Mattox said she believed the reason for the placement was to be near the bike path. Mayor Hanel said the area was selected with the idea of future growth in mind.

Councilmember Ronquillo said he still did not see a connection with the river and whether there were any potential building areas there. Ms. Mattox advised that she was referring to rehabilitation of existing buildings.

Councilmember Clark said the bridge project was turned down by the Coal Board three times, but the statement was made not to worry there were other sources. He asked if CTEP was that other source. Ms. Mattox said she was not part of that discussion, but thought partnerships would have been considered. Councilmember McCall reviewed the previous proposals to the Coal Board that were denied, despite support from the legislative delegation.

Councilmember Ulledalen asked if reduction in all the projects still allowed them to all be done in an abbreviated version with the available funds. Ms. Mattox advised that was the recommendation from TAC that was supported by the Planning Commission after it held a public hearing. She advised that the Planning Commission's recommendation would be provided for the October 12 meeting.

Councilmember Clark asked how the projects would be done with less money. Ms. Mattox said she did not know. Councilmember Ulledalen stated that he hoped the ball did not drop on the Will James alternate because kids had to walk down the old drain if it had rained and the path was muddy. Councilmember Gaghen expressed her concern as well and said she hoped there was money available from other sources such as Safe Routes to School. Mr. Friday explained that the Bicycle-Pedestrian Advisory Committee suggested getting some answers about that funding. He said he understood that an analysis had to be done before requesting funds and since one had not been done on that Will James alternate, the State was being asked if it could be included in a funding request. Councilmember Ulledalen advised that it would require rethinking priorities and consideration at the PCC level if there was not enthusiasm for the 25th street bridge because it could be pushed back for another year if necessary and the funds could be allocated to other projects. He referred to the strategic plan in regard to connectivity of trails and said it seemed like a lot of the projects were a big bang for the buck. He said some of those were classic cases of annexing property where infrastructure was not in place. Mayor Hanel asked if the cost of the bridge project included transportation and installation. Ms. Mattox said it did and the bridge was in excellent condition.

Councilmember Ronquillo referred to a sidewalk that was still not built on Jackson Street that was included on a Safe Routes for School project years ago, but was still not done. He said some of the bridge money could be used to complete sidewalks.

The public comment period for the item was opened. There were no speakers, and the public comment period was closed.

TOPIC #5	<i>Public Comment on Non-Agenda Items</i>
PRESENTER	
NOTES/OUTCOME	

The public comment period was opened. There were no speakers, and the public comment period was closed.

Additional Information:
