

REGULAR MEETING OF THE BILLINGS CITY COUNCIL

October 27, 2014

The Billings City Council met in regular session in the Council Chambers located on the second floor of the Police Facility, 220 North 27th Street, Billings, Montana. Mayor Thomas W. Hanel called the meeting to order at 6:30 p.m. and served as the meeting's presiding officer. The colors were presented by two members of the Young Marines. Councilmember Pitman gave the invocation.

ROLL CALL: Councilmembers present on roll call were: Cromley, Yakawich, Pitman, Cimmino, McFadden, Bird, McCall, Swanson, Crouch, and Brown.

MINUTES: October 14, 2014. Councilmember Crouch moved for approval, seconded by Councilmember Pitman. On a voice vote, the motion was unanimously approved.

COURTESIES:

- Mayor Hanel acknowledged the Young Marines and thanked them for their activities in the community and for presenting the colors. He asked the Young Marines and their leader to introduce themselves. Mary Beth Ostrud introduced herself as the Unit Commander for the Billings Young Marines. Sergeant Ostrud and Sergeant Clayton introduced themselves and said they attended Bridger High School.
- Parks Department Awards - Parks Director, Mike Whitaker, announced the City of Billings Parks, Recreation, and Public Lands Department and two staff members had been recognized by the Montana Trails Recreation and Parks Association for outstanding achievement in the Parks and Recreation field. Mark Jarvis, Park Planner, had been named 2014 Professional of the Year; and Chris Waite, Volunteer Coordinator, had been named 2014 New Professional of the Year. Mr. Whitaker said the department's Outdoor Adventure Camp Series and their new Outreach Division were awarded the 2014 Citation of Merit for Agency Excellence. He introduced Mr. Jarvis and Mr. Waite; and Hannah Luedt, who ran the Outdoor Adventure Camp Series. Mr. Jarvis, Mr. Waite, and Ms. Luedt introduced family members who were present, and Ms. Luedt introduced her supervisor, Kory Thomson.

PROCLAMATIONS:

- Red Ribbon Week – October 23-31, 2014
- Magic Week – October 25-31, 2014

Mayor Hanel asked two members of a local magic organization to come forward and introduce themselves and identify the councilmember who also belonged to the organization. Andrew Norstrum said he was the State Deputy Director for the Society of American Magicians and introduced fellow magician, Mike Liston. He

said they were known as the Montana Mystics in Billings. Mr. Norstrum identified Councilmember Cromley as a fellow magician.

ADMINISTRATOR REPORTS - TINA VOLEK

- Reminded the City Council the Community Innovations Summit was scheduled for that week. Wednesday, 1 p.m. to 7 p.m., a program would be held at the Babcock Theater with staff presentations from San Diego's Serial Inebriate Program and San Antonio's Haven for Hope Program. Thursday, 7:30 a.m., a set of discussions would be held at the Northern Hotel on legislation, enforcement, and project funding to determine how best Billings should move forward. She thanked Lisa Harmon, Greg Krueger, and Joe Stout from Downtown Billings and Brenda Beckett and Lynda Woods from Community Development for their hard work organizing the event. She also noted Tuesday, 9 a.m. to 1:00 p.m. the faith community would have a program at the First United Methodist Church.

PUBLIC COMMENT on "NON-PUBLIC HEARING" Agenda Items: #1 ONLY.

Speaker sign-in required. (Comments offered here are limited to one (1) minute. Please sign in at the cart located at the back of the council chambers or at the podium. Comment on items listed as public hearing items will be heard ONLY during the designated public hearing time for each respective item. For Items not on this agenda, public comment will be taken at the end of the agenda.)

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

1. CONSENT AGENDA

- A. Contract for Professional Services** with KLJ for design and construction administration of W.O. 15-07, Orchard Lane Reconstruction - King Avenue East to State Avenue (curb and gutter, sidewalk, and street); \$241,000.
- B. Contract for Professional Services** with Sanderson Stewart for design and construction administration of W.O. 15-01, Schedule 3, 2015 Water and Sanitary Sewer Main Replacement Projects (17th Street West from Ave. D to Staples Pump Station north of Rimrock Road); not to exceed \$551,055.
- C. Contract for Professional Services** with Hellas Construction for reconstruction of seven tennis courts in Pioneer and Castlerock Parks; \$57,000.
- D. Contract for Professional Services** with HDR Engineering, Inc., for W.O. 15-10, Water Treatment Plant Chemical Building/Disinfection Improvements; \$1,193,100.
- E. Contract** with Municipal Services Bureau for Court Collection Services (5-year); 27% commission rate on amount collected.

F. Compensation Agreement with Trails West Homes for 2,050 feet of 20" water main in 56th Street West south of Grand Avenue; \$403,101.56.

G. Approval of Scheduled Airline Operating Agreements and Terminal Building Leases with Alaska/Horizon, Allegiant, Cape Air, Delta, and United Airlines (7/1/13-6/30/19); estimated annual revenue - \$3,000,000.

H. Recommendation of approval to the Policy Coordinating Committee for the ZooMontana to Riverfront Park Trail Feasibility Study.

I. Acknowledging Receipt of Petition to Annex #14-05: approximately 2.5 acres located at 659 Lincoln Lane in the Billings Heights; Lary and Judy Garrison, owners and petitioners; and setting a public hearing date of November 10, 2014.

J. Resolution of Intent #14-10404 to create the downtown Business Improvement District No. 0001 and set a public hearing date for November 24, 2014.

K. Second/Final Reading Ordinance #14-5631 expanding Ward V (Annexation #14-03 - Shiloh Conservation Area) for an approximate 69 acres located on the west side of Shiloh Road at the northwest corner of Shiloh Crossing Boulevard and South Shiloh Road; City of Billings, owner.

L. Preliminary Subsequent Minor Plat of Amended Lot 9A, Block 9, Circle Fifty Subdivision, generally located on the north side of Avenue C just west of 38th Street West; Tvetene Kenmark, LLC, owner; Mark Allen, managing partner; Meridian Surveying, representing surveyor; conditional approval and adoption of the Findings of Fact.

M. Bills and Payroll:

1. September 22, 2014
2. September 29, 2014
3. July 1, 2014 - September 30, 2014 - Municipal Court

Councilmember Pitman separated Consent Agenda Item D. Councilmember Cimmino separated Consent Agenda Item F. Councilmember Yakawich separated Consent Agenda Item I. Councilmember Brown separated Consent Agenda Items M1 and M2 in order to abstain. Councilmember McCall moved for approval of the Consent Agenda with the exception of Items D, F, I, M1 and M2, seconded by Councilmember Pitman. On a voice vote, the motion was unanimously approved.

Councilmember Yakawich referenced Item I and asked Planning Division Manager, Wyeth Friday, for the requirements of the petitioner and the responsibilities of the City. He noted the request to annex included an unpaved road. Mr. Friday said the subject property was a little different than most other annexation requests in that it was not vacant and already had an assisted living facility built on it. Because there was an existing development on the property, the property owner and the City would enter into

a Development Agreement if the annexation were approved. When the City looked at an annexation petition prior to coming before Council, the Annexation Committee used the policy and service master plans in place to determine the impacts for providing and delivering services to the property. The properties along Lincoln Lane were both in and out of the city limits, and Lincoln Lane had not been improved to a City standard. The City intended to improve Lincoln Lane at some point, but would want to do it as one project and not have each property bring each piece of Lincoln Lane up to standard as it came into the City. He noted there were properties to the south that were annexed a few years ago that did not upgrade their frontage at that time, but would participate in a future SID. Mr. Friday said, if annexed, the subject property would not complete improvements on its frontage right away. Their current interest was to receive sewer service because they were having issues with their septic system. The property owner would be required to provide right-of-way dedication on Lincoln Lane and sign a waiver for an SID for future frontage public improvements immediately following approval of the annexation. The property owner could then decide to develop the property now or later, and the property would need to be developed to City standards. Councilmember Yakawich moved for approval of Item I, seconded by Councilmember Pitman. On a voice vote, the motion was unanimously approved.

Councilmember Pitman referenced Item D and asked Public Works Director, David Mumford, who the other two bidders were and the amount of their bids. Mr. Mumford advised they did not bid on engineering design; selection was made on qualifications. He said he was unsure of who the others were; KLJ and possibly Morrison-Maierle. Councilmember Pitman asked what they would get for \$1.2 million. It seemed like a huge amount for the project. Mr. Mumford advised they would be getting the design, bidding documents, and all of the construction management that was beyond the City's staffing capabilities. Councilmember Pitman asked if they would be gaining anything from EPA. Mr. Mumford said it was a very complex project. They would be updating the chemical building that housed and transferred all the chlorine gas; adding pumping stations; and for the residual, they would be adding a UV system. Also included would be the coordination of the old system so none of what they currently had could go off-line while they were bringing the new on-line. He said normally design and construction management was 15% to 20% of a project, so it was not that much different than what they normally would pay. Councilmember Pitman asked if the UV was part of the initial cleaning of the water, because they still needed the chlorine to keep the water clean as it was going through the system. Mr. Mumford said first they disinfected with UV, and then chlorine was used for residual to contain the disinfectant over a long period of time. They would need less chlorine, and it would be much safer. The current system had been in place since the 1940's or 1950's. Councilmember Pitman asked if the City needed a new budget for replacing the UV bulbs. Mr. Mumford said it would be part of their long-term maintenance budget just like it was at the Wastewater Treatment Plant. Councilmember Pitman moved for approval of Item D, seconded by Councilmember Yakawich. Councilmember Cimmino advised she would abstain from the matter. On a voice vote, the motion was approved 10 to 0.

Councilmember McCall moved for approval of Items M1 and M2, seconded by Councilmember Pitman. On a voice vote, the motion was approved 10 to 0.

Councilmember Cimmino referenced Item F and asked Mr. Mumford if they would need a budget amendment for the funding. Mr. Mumford advised funding was already in the budget under System Development Fees. Councilmember Cimmino moved for approval of Item F, seconded by Councilmember McCall. On a voice vote, the motion was unanimously approved.

REGULAR AGENDA:

2. PUBLIC HEARING AND FIRST READING ORDINANCE FOR ZONE CHANGE #926: A zone change from Residential 9,600 to Residential 6,000 on property legally described as Lots 21-24, Block 12, College Subdivision, 3rd Filing, and addressed as 1247 Princeton Avenue; Vaughn and Marla Rohrdanz, owners. Zoning Commission recommends approval of the zone change and adoption of the determinations of the 10 criteria. (Action: approval or disapproval of Zoning Commission recommendation.)

Planner II, Nicole Cromwell, noted the zone change was initiated by the City Council on September 22, 2014. The property owners approached the Planning Department at the end of July because they were intending to sell the property and realized the property was not properly zoned for the development that had occurred in 1971. Mr. Rohrdanz had newspaper clippings from 1970 when he had petitioned the Council to change the zoning to R-3-R, which was equivalent to R6000 zoning. The zone change was approved, he built a 6-plex with a carport, and has owned the well-maintained property since. Mr. Rohrdanz approached Councilmember McCall and asked that the Council initiate the zone change on his behalf. Ms. Cromwell showed a zoning map of the subject property and surrounding properties. She showed the locations of similar multi-family properties within a 3-1/2 block area of College Subdivision and noted approximately 30% of the properties did not conform to the current R9600 zoning. Ms. Cromwell showed photographs of the subject property and surrounding properties, an aerial view, and a copy of the newspaper article provided by Mr. Rohrdanz. The Zoning Commission conducted a public hearing, no one testified in favor or in opposition to the zone change, and the Zoning Commission adopted staff's recommendation of approval based on the following 10 criteria.

1. *Is the new zoning designed in accordance with the Growth Policy?*

The proposed zone change is consistent with the following goals of the Growth Policy:

- *Predictable land use decisions that are consistent with neighborhood character and land use patterns. (Land Use Element Goal, page 6)* The proposed zoning would permit the existing multi-family apartment to continue in conformity with the zoning. The development has fit in well with the existing neighborhood for more than 40 years, continued investment in the property will preserve the neighborhood integrity. The proposed zoning, R-60, is consistent with the neighborhood character and land use patterns between 13th Street West and Wisconsin Street to the east.

- *More housing and business choices with each neighborhood. (Land Use Element Goal, page 6)* The existing zoning is restricted to single-family only residential uses. The proposed zoning will allow the retention of the apartments on 13th Street West. This will allow the housing choice in this neighborhood to remain diverse.

2. *Is the new zoning designed to secure from fire and other dangers?*

The new zoning requires minimum setbacks, open and landscaped areas and building separations. The new zoning, as do all zoning districts, provides adequate building separations and density limits to provide security from fire and other dangers.

3. *Whether the new zoning will promote public health, public safety and general welfare?*

Public health, safety and general welfare will be promoted by the proposed zoning. The nonconforming zoning discourages investment in the property.

4. *Will the new zoning will facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirement?*

Transportation: The proposed zoning should have no impact on transportation.

Water and Sewer: The City provides water and sewer services to the property.

Schools and Parks: There should not be any impact to schools from the proposed zone change.

Fire and Police: The subject property is currently served by the city Public Safety Services.

5. *Will the new zoning provide adequate light and air?*

The proposed zoning provides for sufficient setbacks to allow for adequate separation between structures and adequate light and air.

6. *Will the new zoning effect motorized and non-motorized transportation?*

Traffic generation from the apartments will not change since the maximum number of units on the lot has existed since 1971.

7. *Will the new zoning will promote compatible urban growth?*

The new zoning does promote compatibility with urban growth. The new zoning will allow investment in the property increasing property value over time.

8. *Does the new zoning consider the character of the district and the peculiar suitability of the property for particular uses?*

The proposed zoning does consider the character of district and the suitability of the property

for multi-family uses. The location of the property on a minor arterial street at an intersection makes it suitable for this use.

9. *Will the new zoning conserve the value of buildings?*

The existing multi-family apartment value will be conserved by the new zoning.

10. *Will the new zoning encourage the most appropriate use of land throughout the City of Billings?*

The proposed zoning will permit an existing housing type in the neighborhood to continue and is the most appropriate use of the property.

Councilmember Brown referenced the other non-conforming properties mentioned and asked for further explanation. Ms. Cromwell explained the properties did not conform to the R9600 zoning put in place in 1972 for the College Subdivision. R9600 was a single-family-only zoning district and required a minimum lot area of 9,600 feet. Councilmember Brown asked what kind of a “can of worms” they would be opening if they moved forward with the current property. Ms. Cromwell said they were beginning the process of updating the Growth Policy; and it was not a unique situation to Billings’ older neighborhoods, particularly those neighborhoods developed before and right after World War II. Staff would be exploring zoning codes during the Growth Policy update to determine if the City’s zoning code was “modern enough” to accept those types of differences in actual development when applying zoning districts throughout the City. Councilmember Brown asked if approving the zone change that evening would have an impact on any of the other non-conforming properties. Ms. Cromwell said the circumstances of the subject property were unique because the zoning was adopted so close to when the City adopted a city-wide re-zoning of all the existing neighborhoods and applied all new types of zoning districts. With the documentation in place, she did not think they would see petitions from the other property owners to change their zoning by Council initiative. She felt it would be something that may come out as a recommendation as part of the Growth Policy work. Councilmember Brown asked if the other non-conforming properties would need to be re-zoned in order to be sold. Ms. Cromwell said if the structures were separate, like a large house in front and a smaller house in back, they would not need re-zoning. They would need a lot area variance, which was a fairly simple process and went through the Board of Adjustment. If it were an up-down duplex, it would not meet current building codes or zoning code definitions even though it housed two families; but it could be rebuilt exactly as it was built before as long as they kept the connecting door between the units and kept the utilities as one utility service for the property. Ms. Cromwell said it was a very large can of worms, and they tried to work with property owners and mortgage lenders. Councilmember Brown said as long as it did not affect all the other properties and create havoc, he would support the proposed zone change.

Councilmember McCall said they needed to remember that in 1972 when the property owners came to the City and requested the zone change, it was approved. The City made an error in not including it, and it was a very unique situation and not the same as the vast number of other properties in the area. The broader issue may be a can of worms, but with the current case they were correcting a City error. She thanked the Council, the Zoning Commission, and City staff for quickly moving forward with the zone change.

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

Councilmember McCall moved for approval of Zone Change #926 based on the 10 criteria, seconded by Councilmember Swanson. On a voice vote, the motion was unanimously approved.

3. PUBLIC HEARING AND RESOLUTION #14-10405 approving and adopting First Quarter Budget Amendments for Fiscal Year 2014/2015. Staff recommends approval. (Action: approval or disapproval of staff recommendation.) City Administrator Volek noted there were two amendments. The amendment for the Information Technology Department (IT) would allow purchase of additional software licenses and tapes to support data backup. Funding would come from IT reserves. The second amendment was a transfer from the General Fund to help cover the rent for the Community Development Division in the Miller Building because they could not cover their entire rent alone. The amendment corrected an error made during the budgeting process.

Councilmember Cimmino asked if the amendment for Community Development rent was an annual cost. Ms. Volek said it was in addition to what Community Development had budgeted for their rent, and it would be an annual cost. Councilmember Cimmino asked if the City paid for all the improvements to the Miller Building in terms of design of cubicles, offices, upgrades, etc. Ms. Volek said each division paid its portion; and the property owner paid to bring the building up to code. Councilmember Cimmino asked if Community Development paid for their improvements or if they came from the General Fund. Planning Director, Candi Millar, said the initial improvements to the building were made by each individual division, and Community Development was able to cover those costs from its revenues. The General Fund did not contribute anything except for the annual rent for the Community Development space.

Councilmember Brown referenced the amendment for IT and asked if there had been servers added or if additional licenses for back-ups had been purchased. Assistant City Administrator, Bruce McCandless, said the former back-up system partially failed, and old data was lost and had to be restored manually. The company was not willing to work with the City to correct the problem, so it was a complete switch for back-up software.

Councilmember Pitman asked how they missed \$14,000 in rent in the whole process. Ms. Millar said the Community Development Director overlooked allocating the additional amount to the General Fund account. It was a pure mistake.

Councilmember Pitman asked about the statement in the staff report that if the amendments were not approved, the City would be in violation of Montana Code Annotated. What would they be in violation of? Ms. Volek said the Code required they do quarterly budget amendments, but it did not require they approve any specific action.

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

Councilmember Crouch moved for approval of Item 3, seconded by Councilmember McFadden. On a voice vote, the motion was unanimously approved.

PUBLIC COMMENT on Non-Agenda Items -- Speaker Sign-in required. (*Restricted to ONLY items not on this printed agenda. Comments here are limited to 3 minutes. Please sign in at the cart located at the back of the council chambers or at the podium.*)

The public comment period was opened.

- **Marty Elizabeth Ortiz, 707 1st Street West, #6, Billings, MT**, said the Human Relations Commission had not received an invitation to attend the Summit on Homelessness, and they would like to attend. Ms. Volek advised the invitation had been sent to Walt Donges earlier that day. Ms. Ortiz asked if Not In Our Town (NIOT) had been invited and said they would like to attend. Ms. Ortiz was provided with the website address for registration. Ms. Ortiz advised she was the new chairperson of NIOT. Eran Thompson was still part of the local board, but he also served on the national board.

Mayor Hanel noted he forgot to mention in the 'Courtesies' portion of the agenda that the annual High Plains Book Awards event was recently held, and it was very well attended. He said Library Director, Mr. Cochran, and his staff put it together, and they did a fantastic job. Mayor Hanel asked Councilmember Cromley to share his family's participation in the event. Mr. Cromley said his son was a finalist in the "First Book" category with his book titled "The Last Good Halloween." Mayor Hanel congratulated Councilmember Cromley and his family.

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

COUNCIL INITIATIVES

- **Mayor Hanel:** Mayor Hanel referenced the advance notice he provided at the October 14 meeting for his initiative to ask staff to provide a presentation on the selection process of the primary healthcare provider for the City of Billings. Mayor Hanel **moved** for a review of the insurance committee's selection process, seconded by Councilmember Crouch. Mayor Hanel said it was a very well-supervised and very well-organized process, and he was not being critical by any means. The primary care provider for the city employees at the present time was St. Vincent Healthcare. The process involved a variety of employees. There was non-bargaining, bargaining, and one retiree for a total of 15. They got together and voted as a majority; and they were allowed to vote on an absentee basis if they were not available. What it came down to was to select a medical provider for their primary care. It was based on a variety of aspects, and they were assisted by EBMS, who administered the proposal very professionally and in a very good manner. He was bringing forward his initiative because he would like to stress that Billings, although large in size, was still very small in many, many ways. They were extremely fortunate to have two excellent medical care facilities – St. Vincent Healthcare and Billings Clinic. At one time an employee could choose one facility or the other, and it was split about 50-50. The committee also

had the oversight of reserves and at one time those reserves became very, very minimal. He said if there would be a medical emergency or a drastic financial setback without sufficient reserves, they could go bankrupt. The reserves were healthy once again, and he was asking that staff provide Council the scenario of how it all came together, and if they might consider going back to a choice situation for the employees. Both the medical facilities were fantastic, top-notch, and best in the northwest; and he would hate to think they were such a large city they could not allow some of the services to go to both hospitals again. They were both very supportive of the City in many, many ways financially as large employers and a huge amount of income tax and property tax was generated. He would like to think they could share the services as they did at one time. He was asking staff to put together the breakdown of how it all came about so they could at least consider it.

Ms. Volek said St. Vincent Healthcare and Billings Clinic were non-profits and did not pay property taxes. They paid assessments, but not property taxes. Mayor Hanel said he was referring to their approximate 5,000 employees who paid an extreme amount of property taxes. Ms. Volek said several years ago when they were looking at major increases, they sent out an RFP and all of the local hospitals were invited to participate. There was a 3-year contract with two, one-year renewals. They had concluded the first three years of the contract and renewed for a fourth year. Ms. Volek advised the contract was approved by the City Council, and the staff did not have direct control over it. Mayor Hanel questioned if the contract was approved by the City Council, and Ms. Volek said it was brought to the City Council for approval. She said staff recommendation was part of their contractual agreement with their employee union groups, and they had seen absolutely no increase this year in health insurance costs; so it was a very significant savings. When they sent out the RFP, the intent was they would choose a single provider. That was made very clear as part of the cost savings effort; and they would look at it from that standpoint. They would bring a full report to the Council at the December 1 work session. Ms. Volek advised employees could use either hospital; however, they would pay a premium for using the other hospital that was not selected. It was an open process, and everyone was invited to participate. Mayor Hanel stressed he was not being critical of the committee, of the process, or of the care the employees were receiving. He just thought the whole process of selection needed to be revisited.

Mayor Hanel asked if the second one-year was an option of the committee. Ms. Volek said the committee made the recommendation, and she was technically the plan administrator.

Councilmember Cimmino asked if the committee who made the recommendation was made up of employees and a retiree of the City. Ms. Volek said that was correct. Councilmember Cimmino said she received phone calls during the time it was going on, and a lot employees and their dependents were working with their chosen physicians. Ms. Volek advised the recommendation was made by EBMS, who conducted the review of the RFP. She did not know if it was reviewed by the committee. She said Mr. McCandless chaired the committee. Councilmember Cimmino said she agreed with the Mayor and the

need to review the process. Ms. Volek commented it was done through an RFP; it was done through a formal process; and everyone was on the same playing field.

Councilmember McCall said it was a good initiative and worthwhile to bring it back for discussion. She thought the goal had been met in bringing down costs, and as much as they wanted to go to a particular physician, the cost was the major priority; other than the care. As they looked at it and possibly changed the process, they had to have a mechanism to allow for the same kind of economy. They had decreases in cost, and they wanted to maintain it.

Councilmember Brown asked that cost information be provided. Ms. Volek said they could make an estimate. She said some of the information from each facility was proprietary, so they had to be careful in that regard. Councilmember Brown said they did not need cost by facility but an estimate as to what would happen to the reserves, etc.

Assistant City Administrator McCandless said competitive pricing in the medical field was not a well-known concept. Most of the information was either partially or wholly concealed from consumers. The only way the City could independently and fairly price the two primary service providers would be to take all of the City's claims from the prior calendar year, run them through both providers, and then compare the two. The first year cost estimate savings was over \$1 million. The City was down to about a half million dollars in reserves in calendar year 2011. It now had in excess of \$6 million in reserves; not wholly because of the contract with St. Vincent Healthcare but also because the City had not had a lot of very sick or severely-injured employees. They could provide the Council with a lot of financial information, but City staff did not have the capability of being able to price current claims by the two providers. They could ask EBMS to do it. He did not know if there would be a cost, but he could guarantee it would take a substantial amount of time and effort.

Councilmember Brown asked if the premium paid for going to Billings Clinic was an offset between the costs of going to St. Vincent vs. Billings Clinic. Mr. McCandless said the employee would have a lower co-pay by choosing to go to St. Vincent Healthcare and Rocky Mountain Health Network. The co-pay at Billings Clinic would be 60-40 instead of 80-20 at St. Vincent Healthcare. The charges from Billings Clinic for like procedures based on the 2011 claims were higher. It cost the plan more, so the City basically cost-shared with the employees who chose to go to Billings Clinic. Employees were allowed to go to Billings Clinic, but there was a financial consequence for themselves and the health plan.

Councilmember Bird said she agreed with the Mayor's initiative and would support discussion of the process. The process followed previously by choosing St. Vincent as the primary care provider helped accomplish the goal. There was a difference between the brass tacks on the fiscal side and the impact to the human side; particularly with an aging population and people dealing with chronic health conditions who had a long-term relationship with caregivers and were told they had one choice or it would cost them more money. It seemed to her to be discriminatory and punitive. She said she understood the fiscal side of it, and

there were two stories to be told about the process. Her concern would be the people on the committee. Ms. Volek advised the committee did not look at the RFP. The committee looked at the process, and EBMS conducted the RFP, evaluated the results, and made the recommendation. It was not employees with a bias one way or the other. Councilmember Bird said she always thought it was better to provide people with choices and options if possible. She was not interested in putting the City's health plan into fiscal disrepair, but she felt it was appropriate to rethink the process.

Councilmember Pitman called for a Point of Order and said they were starting to have a discussion for an initiative that had not been passed. They needed to get back to the original motion of bringing it forward and having staff bring a presentation explaining the process on December 1. They were asking questions that could actually be answered by staff's presentation.

Councilmember Cromley asked if it was a fiscal or calendar year contract. Ms. Volek advised it was calendar year, and it had been signed for the next year.

Councilmember Crouch called for the question.

On a voice vote, the motion was unanimously approved.

There was no further business, and the meeting adjourned at 7:53 p.m.



CITY OF BILLINGS

BY: Thomas W. Hanel
Thomas W. Hanel, Mayor

ATTEST:

BY: Cari Martin
Cari Martin, City Clerk