

City Council Work Session

5:30 PM
Virtual Meeting
April 6, 2020

ATTENDANCE:

Mayor/Council (please check) ✓ Cole, ✓ Shaw, ✓ Yakawich, ✓ Neese,
✓ Ewalt, ✓ Joy, ✓ Choriki, ✓ Purinton, ✓ Ronning, ✓ Boyett, ✓ Brown
CM excused:

ADJOURN TIME: 10:15 PM

Agenda

TOPIC #1	COVID-19 Update
PRESENTER	John Felton, RiverStone Health, President and CEO and Steve Arveschoug
NOTES/OUTCOME	

- John Felton provided current stats – over 300 cases in Montana with 7 new cases today. There are more than one UIC officer. He went over the organizational chart and all of the different functions of each group listed. Accepting PPE donations and they now have a drop off center. He stated it was important to have volunteers with medical experience. Plan for the worse and hope for the best. Youcanvolunteer.org. Spoke about blood donations being needed. He spoke about isolation of the sick and quarantining the well homeless population. However, it is not housing for the homeless at the MetraPark facilities. Challenging to get everyone tested at shelters and congregate facilities, etc. All tests go to state health lab it's faster than private labs. Peak is estimated on April 13th. Are seeing leveling of the progress of the disease. The plans are working, i.e. staying at home, social distancing. Rescues for people engaging in risky activities is causing a challenge in many ways. 1360 tests done, don't have all of them back yet. Hospitals have stopped elective procedures which keeps the beds empty for COVIDs. Seeing a flattening of the curve earlier than many other states. When does life return to normal? The governor will make a determination of his orders. There will be aftershocks and second waves, but normal is always away. Compared seasonal flu to COVID – flu has vaccine and treatment, COVID doesn't. Unknown if COVID will be seasonal. The southern hemisphere has had significant cases, so warm climate does not indicate safety. PPE came in from strategic stockpile. 3 boxes that fit into a side chair for the whole Yellowstone County. It's an issue and purchasing is very difficult. Masks for the public with recommendations from CDC. Channel 7 went down for a couple of minutes.
- Quarantine and Isolation shelter will be up and running.
- Shaw: How are testing supplies? Can public do anything to pressure for more? Hand washing stations throughout the City for the homeless population.

- Felton: Highest testing per capita in all the states. Have not reached a time we could not test. Great idea for handwashing stations – Continuum of Care (COC) group can be brought into the discussion.
- Ronning: need a report to address the homeless population – what are plans to protect that population. Are Doctor and nurses receiving equal types of PPE?
- Felton: hasn't heard about equality in PPE – there are different exposure PPE necessary depending on the activity.
- Purinton: when can we say this is behind us?
- Felton: can't give a date, looking at the number of cases to determine when it is safe. Epidemics come in waves. When come down people have recovered and are immunized, and people have adopted social distancing.
- Purinton: More interstate travel? Is that a good thing? Or community spread risk?
- Felton: Significant evidence of community spread. Widespread throughout the country. Influenza is unstable virus and mutates every year.
- Cole: to Liberalize needs testing ability on a massive scale of even asymptomatic patients and staffing follow ups.
- Felton: have trained staff to do follow ups. Challenge is when a disease is widespread, the numbers are less meaningful. Watch for hot spots. Like fighting a fire – don't send fire department away because sparks and embers are still there. Can't say 2 weeks is enough or a month is enough of social distancing.
- Neese: A few people have used the site for unsheltered?
- Felton: intended it to open today, it actually started on Thursday. A couple of people needed shelter while pending testing results. Security is a concern and staffing. Using the kitchen for meals. In 48 hours it will be fully operational.
- Neese: how will COVID be isolate people? In a motel room for containment and isolation
- Felton: a person is symptomatic, quarantine to watch for testing results, isolation is for the sick and positive. Pipe and draped 10 foot square spacing. Congregate sheltering.
- Motel rooms would be non-congregate sheltering must be reported to FEMA. Can't let people of the hotel pick and choose who stays at their facility. Putting together a plan for FEMA to do the non-congregate.
- Neese: will the peak date be moved back again since we had 7 new cases today. People will get comfortable and lessen their restrictions.
- Felton: This is a County by County determination.
- Brown: Build an immunity if you are once infected?
- Felton: you create anti-bodies and that's why you don't get it again. However, this virus many not be a genetically stable virus. Don't know because it is a novel virus. But if it mutates, it can depend on its stability.
- Steve Arveschoug: Spoke about significant economic impact and it is now going to be a recovery for months and perhaps years. Not to provide numbers for people to hang their hat on. Can't get the unemployment numbers for Yellowstone County yet. 40,000+ unemployment claims. 17% of the state has

total active employment to predict what Yellowstone County's numbers are. 240 forms – snap shot – declaration immediate 1,450 jobs lost, 1,060 declared uncertain 3 weeks ago. Economic impact of 1,450 lost jobs, excess of \$350 million of lost economic activity. Will continue to track the numbers. Have put together 17 partners and business leaders and technical support folks on team for economic. Retail and hospitality most impacted. Setting up goals and expectations to coordinate a response.

- Restart strategy – business stabilization program – goal was to allow businesses to get plugged into resources while awaiting SBA monies. Had 40 applications and had to close it off. Will quickly exhaust \$250,000 loan funding. Fills a gap for them. Exhausted in the near term. 4 things to leave with:
- Apply through SBA.gov to apply for economic injury disaster loan. \$10,000 advance on the loan within 3 days for a quick stop gap.
- Call your lender. First line of defense on SBA loans. Make application through local lender.
- Questions about unemployment benefits for employees – go to Montanaworks.gov.
- Trouble? Send email to contact@bigskyeda.org.
- Shaw: Advice to public about supporting businesses.
- Steve: Buy gift cards and send to a friend. Purchases drinks at the coffee bars. Let the businesses know that you will support them as soon as they are able to open again and they are not forgotten. Posting something positive about their business.
- Purinton: Why are we still experiencing shortness of supplies in the businesses that are open?
- Steve: don't know if it is a distribution problem or it just takes awhile to restock when people bought massive hoards of items.
- Boyett: Are people having trouble applying for UI in Montana?
- Steve: don't know about UI, but SBA is very difficult to get onto the website. Trying to keep up on that. Will report back on the UI.
- Ronning: 17 names of the partners please. Any state legislators in the group?
- Steve: not yet. Creating a sub list.
- Ronning: City liaison? City Staff?
- Steve: Shawn Brown, Wyeth Friday and Andy Zoeller.
- Ronning: How and when to start the conversation on date of implementation, immediate recovery plan and long-term recovery plan.
- Steve: Will look at short term and long term. Will devise the restart strategy before the date arrives.
- Mayor: Explained the differences between County level and State level orders.
- Choriki: Brought up the cheap gas prices and the impact of the Bakken on Billings' economy.

- Steve: wants to clearly assess and be concise – oil is definitely affecting our economy. Ag is remaining stable at this time.
- Chris Kukulski, City Administrator: working to keep employees productive.
- Analyzing budget Impacts. Make decisions now rather than least
- Care about employee culture.
- City is open for business but the method is different. Modified access points. Good feedback from the public. City's COVID-19 webpage good feedback.
- Charter will not allow us to put in an emergency 2 mill levy for ongoing emergency funds. \$780,000. Each City and town in Yellowstone County may put in for 2 mill
- \$428,600 is Billings portion. CARE act and many state law changes will affect Billings.
- We will do whatever we can to leverage monies. Don't have good data to determine fees, taxes, etc. to learn and understand how is the City impacted.
- Budgets: 10 furloughs of employees to date. To keep budget sustainable. Doubt this is the end of that to stay on top of budget. Evaluating all vacancies for filling. Will fill 911 vacancies. Will delay seasonal hires.
- Legal and financial information is changing daily. Sifting through all the national resources to help make decisions. Mayor signed a directive for ratification next Monday. Has to do with our relationship with AMR and Billings Fire for advanced life support. Need to prioritize calls for aid.
- UIC org chart provide description of how it is organized. Will change from time to time it is ebbing and flowing. Chris and Mayor on the Policy committee, along with several others are meeting daily. Attending UIC meetings every day.
- Leadership team is working collaboratively. Key leaders from UIC will be presenting at every Monday meeting to keep Council in the loop.
- Boyett: Union contacts – furlough – how does it play into this?
- Chris: No. Contract refers to lay offs and 45 day notice for lay offs in the Teamsters contract. Regional rep is really good to work with. Working on an addendum to the contract to deal with furloughs. It benefits both employees and the City. Furloughs maintain employees benefits. Employees shift to UI which save the City money.
- Neese: Our health insurance allows furloughed employees to stay on the plan? When will the addendum be done?
- Chris: yes. The addendum is being worked on, don't have a date. City pays the lions share of the insurance premiums. Furloughs allow them to immediately receive UI benefits. All are job attached. Parking employees volunteered to be furloughed.
- Purinton: Could the furloughed people be repurposed to Parks department?
- Chris: some employees are being utilized in other Departments.
- Purinton: emergency funds? How does the distribution work?

- Chris: never been here before. Haven't leveraged the emergency mill, but it is different here. Billings cannot do with a vote of the public. Have to come from City reserves and ask the voters to get reimbursed.
- Mayor: Montana Leagues of Cities and Towns (MLCT) is asking the governor for information.
- Ronning: Calls City offices and just gets automated answering systems. Can that be changed, get 9 options. Should be reducing stress not adding to stress. Using parks does not mean basketball courts, playgrounds, tennis courts, etc., we need signage. Playgrounds were packed this weekend and was stunning! Asking Chris to report on policy information – communication, communication, communication with Council.
- Chris: Will talk about telephone automated system during leadership meeting. Parks are open, 65 signs were made by our sign division to be placed in parks – they are simple and straightforward. Follow the social distancing rules, are going up this week. UIC – does not have time to provide information from the 9:00 AM and 3:00 PM meetings. None of the policy meetings are separate from that group. Gavin Woltjer, Library Director will be used to disburse the info. Bye week may have given a distancing with the Council.
- Neese: Agrees about the parks – parks officers need to run people off the equipment. Gavin is doing a great job. Minutes from the UIC to the Council? How many vacancies are there and how many have been filled?
- Chris: Vacancies – 3 in wastewater – 1 approved. Reviewing how long the others can stay unfilled. All over the organization. Holding off on a dozen or so seasonal positions. Did hire 4 to run thinner than normal on green barrel service.
- Neese: those are enterprise funds – not as much impact as on the general fund employees.
- Chris: Yes, true that anything property tax funded, is more sensitive, but trying to be deliberately slower on that. Mill levy isn't that easy. The charter is black and white about it.
- Discussions continue concerning the Charter's language. Does not address emergency mills.
- Brown: Council needs to be careful about making directives without a consensus of Council.
- **Public Comment:**
- **Anna O'Donnell, 131 Avenue B, Billings, Montana:** stated that Pioneer Park is very full. Had signs stating the playground equipment was off limits, etc., but the signs were taken down. The tennis courts need to be locked and a park officer needs to control people from being in areas that are closed

Recess at 7:54 pm

Reconvene at 8:00 pm

TOPIC #2	2020 Public Safety Mill Levy
PRESENTER	Chris Kukulski, City Administrator
NOTES/OUTCOME	

- Chris – 1GF – contains 19.5 million over the 12.5 million that is recommended. Reviewed scenarios in his PowerPoint. Recommended delaying a conclusive decision until end of May.
- **FY21 General Fund and PS Fund**
- Estimated total beginning Fund Balance = \$19.5 Million
- Recommended minimum reserves = \$12.5 Million
- Assuming no tax revenue increase from FY20 to FY21
- State Entitlement Share increase 3%
- **Scenario 1 – Do Nothing**
- Assuming growth in expenses between 1-3%
- Use of reserves \$5.5-\$7 million to balance General Fund & Public Safety
- Limited investments in Capital & Deferred Maintenance, No Lean Six Sigma, No Public Information Officer, No law & justice space needs addressed
- End 2021 at or slightly below recommended minimum reserve
- Assumes no expense for response to COVID19 or other unanticipated costs (COVID19 expense up to ~\$500K)
- Will require additional funding and/or reduced expenses in FY22
- **Scenario 2 – Move Parks and Rec entirely to PD1** , do nothing else
- Moving Parks to PD1 reduces overall General Fund expenses from FY20 by 7% - 9%
- Use of reserves \$1.2-\$2.5 million to balance General Fund & Public Safety
- Limited investments in Capital & Deferred Maintenance, No Lean Six Sigma, No Public Information Officer, No law & justice space needs addressed
- End FY21 with \$4-\$5 million above minimum reserves
- Assumes no expense for response to COVID19 or other unanticipated costs (COVID19 expense up to ~\$500K)
- Requires increase in PD1 assessment of about \$60-\$65 for the median home. Current assessment is approximately \$28
- Will require additional funding and/or reduced expenses in FY22
- Mill Levy Necessary to Cover Imbalance
- **Scenario 1:**
- Use of reserves \$6 -\$7 million
- 30-35 mills needed to balance budget without relying on reserves
- Cost to median home \$ 76 - \$100
- No additional resources added to Public Safety

- **Scenario 2:**
- Use of reserves \$1.2-\$2.5 million
- 6 – 12 mills needed to balance budget without relying on reserves
- Cost to median home \$17 - \$35 (Plus increase in PD1 assessment)
- No additional resources added to Public Safety
- **Mill Levy to address space needs**
- Estimated lease costs for Public Safety (Law & Justice) at the Stillwater building \$1.1 million annually
- Requires additional 5.5 mills
- Cost to median home \$15
- Only solves space needs, does not add any staff or funding for additional Public Safety resources
- **Discussion**
- Create clarity on financial position for 1-3 years
- Understand short-term options other than a mill levy
- Delay decision on 2020 public safety mill levy until late May or early June
- Ronning: Stillwater Building – City Hall, not specifically a Law and Justice Center. Need a different RFP for just Law and Justice Center.
- Chris: RFP was for all – Council wanted non-Justice separated from Justice needs.
- Andy Zoeller, Finance Director: Costs were based on the proposals, very similar. Went with the higher of the two.
- Ronning: strongly disagrees that the RFP is sufficient.
- Neese: if negotiated amount less, City would pay less, correct? Chris: yes, dollar amount would be to the penny.
- Chris: dollar estimates are high – Council can make the decision to move forward or discontinue discussions.
- Purinton: question for Kevin – can we really have this option of leasing.
- Kevin Iffland, Assistant City Administrator: options to lease to own, purchase, or lease. Negotiation committee carved out just space for justice at \$1.1 million.
- Boyett: moving Parks and Recreation to PD1 with or without a vote of the public?
- Chris: would not include a vote to the public. City went through the process properly to create the district, with protest allowances. Council can adjust rates.
- Boyett: yes, done correctly but politically is it wise?
- Chris: Law doesn't require a vote of the public to set rates.
- Shaw: Doesn't want to back away from the serious needs. Hesitant to run a levy every 2 years.
- Mayor: Give timing scenarios, different scenarios.

- Chris: Must have levy information to Yellowstone County Treasurer's office and DOR by the first part of October. Have days or weeks to make those decisions. Setting assessment in September. Last meeting in September is the Council's last opportunity to set assessment rates.
- Discussions about the budgets, reserves, etc. continued.
- Mayor: Hybrid options? Instead of do nothing or scenario 2.
- Chris: It was his intention to come up with a middle ground, but COVID has swept up any time to deal with it. He asked for guidance of what Council wants the middle ground to be.
- Ewalt: how many mills is \$65 for PD1?
- Andy: 20-23 mills.
- Ewalt: shell game.
- Council continues discussions. Bond rating AA2. Uncertain how spending reserves will affect it. Discuss reserves.
- Chris: If Council does nothing and keep going as is, City can make it 1 more year before reserves needed.
- Choriki: without increase in revenue, how many positions are we looking at reducing?
- Chris: depends on the positions, but Public Safety positions are around \$100,000 per person. But Parks and Administration are also in the GF.
- Boyett: voters can have options on the ballot?
- Brent Brooks, City Attorney: said yes, they can be given more than 1 option to vote on.
- Brown: don't know where we will be in a year. Feds won't be giving out free money. A mill levy ask at this point is unrealistic. PD1 option is a good one. Must protect the City and that means everybody. Not changing any policies, wise to step back and get through this. Don't go broke over COVID, etc. the public will have respect for Council doing this and getting us through it.
- Ewalt: agrees with CM Brown – for one year we can get by without large layoffs. Boyett's suggestion of more than one item on ballot, how much of the vote would be needed to prevail?
- Brooks: would have to be clear, one passed, then the other would not become affective.
- Ewalt: would not need 51% of any of them?
- Brooks: one would have to have the majority to win the vote. Will have to check with Bret Rutherford.
- Ronning: Brent – when is the next time the City votes on City Charter?
- Brent: at least 4 or 5 years away, would have to check.
- Ronning: \$50,000 to use toward Continuum of Care (COC) and how has it been used? Hotels? Red Lion is in bankruptcy-might be option for Unified Incident Command. "Political" term has been used several times. Thinking of number of

rapes, DV cases the word political means, because violence is not a political issue.

- Chris: Apologizes for using political when trying to emphasize our number one priority of reducing violence in City. Was bent on getting a PSL passed at \$200 per household, but due to COVID not realistic to look at the in the next 6 months. \$50,000 of COC funds has not been spent and is available.
- Neese: discusses his ideas to give the City \$7 million by shifting funds.
- Council gave their priorities for direction.
- Shaw: not helpful to give direction to staff at this time – just need to wait to see what happens.
- **Public Comment:**
- **Anna O’Donnell, 131 Avenue B, Billings, Montana:** people looking to see Public Safety benefits, timing is not right now.
- **Tom Zurbuchen, 1747 Wicks Lane, Billings, Montana:** City Administrator said State revenue would be up, but not true at this time. There could be an excessive decrease in State revenue due to Covid-19. City Administrator can set reserves at own discretion.

TOPIC #3	Council Discussion
PRESENTER	
NOTES/OUTCOME	

- Mayor mentioned the new captain of the USS Billings, Aaron Helgerson - brother in law of Gavin Woltjer, Library Director.
- Ronning: thanked residents for howling at 8:00 PM for all of the medical professionals.
- Purinton: TIF funding for Clocktower Inn – requested list of expenditures. Ask staff to make sure all of the expenditures are included in their process. Chris to follow up on. Penny can follow up. Strong email sent to DBA regarding they have to have very clear descriptions of what they are asking for reimbursement of.
- Neese: Mandated reserves to increase in the near future.
- Chris: needs to look at resolution – not increasing or lower that number himself.

TOPIC #4	Public Comment on Items Not on the Agenda
PRESENTER	
NOTES/OUTCOME	

- None