

City Council Work Session

5:30 PM
Council Chambers
September 6, 2016

ATTENDANCE:

Mayor/Council (please check) Hanel, Cromley, Yakawich, Cimmino, Brewster, McFadden, Friedel, Swanson, Sullivan, Clark, Brown.

CM Cimmino, Swanson and Brown excused.

ADJOURN TIME: 8:47 pm

Agenda

TOPIC #1	Tax Abatement Program
PRESENTER	Steve Arveschoug, Executive Director Big Sky Economic Development
NOTES/OUTCOME	

- Steve Arveschoug: BSED overview. Began in 1989 as Tradeport. 2002 started EDC. Explains the EDA board, appointed by BOCC. EDC Board elected from membership. Unique public – private partnership. 3 priorities: Business growth (existing businesses): Community Development; New business recruitment and outreach.
- Hanel: explain role in presenting labor and business trends to public
- Arveschoug: Economic pulse: track local GDP and regional cities too.
- Yakawich: non-voting member of the board. Board holds Steve accountable, argue their business, don't automatically accept staff recommendations.
- Arveschoug: monthly reports, business representatives expect high level performance.
- Clark: helped appoint first Tradeport board
- Chad Moore, BSED Project Manager: tax abatement program; county wide program, 4 authorized by state law, adopted by city and county.
- Sullivan: reason for questions; existing business, using 2 tax abatements and not much benefit. How do you show that taxing entities break even from the abatements.
- Moore: city tax “loss” is about \$14,000.
- Hanel: how do the tax savings occur, do they adjust for mills? No, valuation subject to tax.
- Sullivan: job creation tracking?
- Moore: job numbers, payroll are tracked annually.
- Clark: payroll is \$176M?
- Moore: yes.
- Brewster: try to quantify how much the expansion affected payroll?
- Moore: don't take that into account.
- **Public Comment:**
- Kevin Nelson, 4235 Bruce Avenue, Billings, MT: could put presentation on the website? Who checks that out of state revenues actually occur? Abatement applications should be turned in early in the project, not at the end. Don't believe that companies are at risk of leaving or not investing. Refers to newspaper article about ineffective TIF districts.

- Hanel: responses to citizen's comments?
- Arveschoug: state requires that we certify sales figures at the time of application. Local refinery received abatements, other refineries in country, they calculate where most effective investments are and tax abatements are included.
- Friedel: program in place since 2005? Payroll hasn't grown.
- Arveschoug: in effect longer, but that's the length of report.
- Moore: year to year comparison, not cumulative.
- Sullivan: refineries aren't in the city.

TOPIC #2	Low Income Housing Tax Credit Application – YWCA Gateway Vista
PRESENTER	Mary Lee Olson, YWCA CEO
NOTES/OUTCOME	

- Mary Lee Olson: many board members and core team members are here. Project overview. Gateway Vista will help meet a community housing need. Board of housing will decide whether to grant low income housing tax credits to the Gateway project. Need support letter. Board will award 4 projects out of 8 applications.
- Sullivan: any competing projects from Billings?
- Olson: no, only application from this half of the state.
- Yakawich: 24 units will be reserved for domestic violence victims? Victim demand? Process for issuing a city support letter? Hanel – already been initiated.
- Olson: any low income is eligible but will try to use a preference. 20 out of 24 units would be victims at this time.
- Sullivan: what is acceptable low income rent?
- Olson: low income rent will be \$300-\$650, depending on area income.
- Erin Lambert: generally accepted number is 30% of income, so rents will be based on income and that percent.
- Hanel: how many years has YWCA been in business and number of people assisted?
- Olson: been here since 1907, hundreds of thousands assisted.
- **Public Comment:**
- Don Sterhan, Mountain Plains Equity Group: stress that tax credit application process is competitive. Billings has attracted only 3% of credits statewide.
- Sheryl Burke: past YWCA board president. Provided drawings without charge to YWCA.
- Stephanie Baucus, 4528 Hi Line Drive, Billings, MT: only eastern MT project; no one on the Housing Board from eastern MT; pie graph shows 75% financing comes from tax credits, so project won't happen without them.
- Clark: housing board members? 7.
- Erin Lambert, 1809 Stony Meadow Lane, Billings, MT: advocate for victims for 11 years, project is important for victims, many assaults and repeat offenders. Reduced violence will help law enforcement and courts.
- Hanel: any opposition to support letter? None.

TOPIC #3	Park Development Strategies
PRESENTER	Rick DeVore, Parks, Rec. and Cemetery Board
NOTES/OUTCOME	

- Rick DeVore: chair of park board. Comments on Musburger field naming and thanks from family to Council and staff. Gives prepared presentation.
- McFadden: tax increase on a \$200,000 home?
- DeVore: \$6.80 increase.
- Sullivan: why not wait for 2017 election and ask for GO bond and vote? Feels like funding it through the PMD is a little sneaky.
- DeVore: don't want to wait. Think that an election could be successful but would need outside support.
- Hanel: are we assessing fully authorized amount? Money has been well spent. May justify assessing more.
- Whitaker: assessment is solely up to Council. Public info at adoption said assessment would be \$2 million/year.
- Hanel: ask Finance how existing PMD funding could be adjusted to accomplish the same thing.
- Brewster: doing an overall master plan; question whether these parks will come out as priorities in the plan. May prevent taking action on other improvements recommended by the plan. Acknowledge that election would be hard to win. Citizens are negative on tax increase.
- DeVore: surveys say people want more parks.
- Clark: PMD 1 was sold on basis of correcting maintenance deficiencies. Where are we on that program?
- Whitaker: master plan will evaluate all existing parks and that will tell us how much deferred maintenance we have.
- Clark: don't think that 2 parks and \$5M is enough, so trying to think of alternative ways to come up with more money for park development.
- DeVore: would pursue grants and other funding.
- Sullivan: what does improving Centennial and Castle Rock cost in annual maintenance?
- Whitaker: don't need additional full time people but might have to hire 2 more seasonal employees.
- Yakawich: average house value? Hanel: \$238k. When will comp plan be done? June 2017. How about concluding this discussion in June after plan is done? Want constituent feedback on the proposal.
- Volek: if Council approved park plans and putting bonds on ballot, June or July 2017 may be too late to adequately campaign for the Nov. 17 ballot.
- Hanel: please ask Pat Weber to put together estimates of what would have to be done with present assessments to accomplish same goal. Sullivan: also want to see what punting would do
- **Public Comment:** none

TOPIC #4	2017 Unified Planning Work Program (UPWP)
PRESENTER	Scott Walker, Transportation Planner
NOTES/OUTCOME	

- Scott Walker: UPWP shows how Planning intends to use its people for planning activities and what funding comes from the federal transportation planning. Plan is required to receive Federal transportation money. 12 work elements, reimbursement from Fed grant is quarterly, each element has different % reimbursement rate. 4 main revenue sources; fees in city and county, county mills, Federal PL funds. All elements have to relate to transportation planning in some way. Higher FY 17 budget than last year due to larger contingency. Reviews the planned 2017 projects.
- Yakawich: short term railroad traffic study? Trust the process. Support working closely with the tax increment district boards.
- **Public Comment:** none

TOPIC #5	Wastewater Treatment Plant Contract Amendment
PRESENTER	Dave Mumford, Public Works Director
NOTES/OUTCOME	

- Dave Mumford: reviews project and schedule. HDR contract larger than usual but also doing more work for city than usual. HDR will spend 45,000 hours on site during 2 years construction. One year operations support and running the existing plant during const.
- Hanel: explain selection of HDR.
- Mumford: HDR designed these plants in MT, RFP process, local office and people.
- Sullivan: original est.? Dave: explain the funding amounts. Contract Admin was part of the original RFP but we didn't spec the CA because we didn't know what work would be needed.
- Cromley: how clean will the water be?
- Craig Hoppman: sites the nutrient discharge limits and plant capabilities.
- Yakawich: how much was original contract?
- Mumford: don't bid consultants, select by RFP. Original contract was about \$5M. Explains process, jobs and prices again.
- Sullivan: convinced that other consultants would be about same price, but HDR is most qualified?
- Mumford: think others would be close but no one but designer could inspect properly.
- Brewster: not an unusual way to manage project, compares to a NWE generation project.
- Hanel: would like PW to visually record the construction and make this presentation to the public. Huge price tag and people don't understand it.
- Clark: total cost, including engineering, construction, bonding, etc.
- Mumford: don't know own staff costs but contracts will total \$78 million. Mr. Strauss will manage the project but others will be involved.

- Friedel: meet discharge standards in future?
- Mumford: this is the first of 3 phases.
- Yakawich: is contract admin. an expected next step after design?
- Mumford: yes.
- **Public comments:** None.
- Hanel: any concerns about water withdrawal from River?
- Mumford: no. Not at historic low flow. Can pull water from river at 1' depth. Lots of moss in river, some people taste that.

TOPIC #6	Council Discussion
PRESENTER	
NOTES/OUTCOME	

Friedel: incident about week and a half ago, person with rifle, citizen concerns that schools weren't notified. Central and St. Francis schools not informed. PD handled it.

Volek: will check with PD and get info back to Council.

Yakawich: training 2 weeks ago, put info at Council desks. September 11 is ceremony.

Hanel: Burn the Point went well. Compliments staff. NAIA tournaments awarded to Billings, official announcement on Wednesday.

TOPIC #7	Public Comment
PRESENTER	
NOTES/OUTCOME	

None