

# City Council Work Session

5:30 PM  
Council Chambers  
January 22, 2019

## ATTENDANCE:

Mayor/Council (please check)  Cole,  Cromley,  Yakawich,  Neese,  
 Ewalt,  Joy,  Friedel,  Gibbs,  Ronning,  Clark,  Brown  
CM excused: Clark Excused

ADJOURN TIME: 6:53 pm

## Agenda

TOPIC #1	<b>City of Billings FY 18 Comprehensive Annual Financial Report (CAFR)</b>
PRESENTER	Tyler Bryant, Auditor
NOTES/OUTCOME	<p>Mr. Bryant - clean audit. Review of reports.</p> <p>Andy Zoeller, Finance Director – introduction and PowerPoint presentation.</p> <p>Friedel – Why is General Fund going up? Zoeller – General Fund going down combined with Public Safety about net zero.</p> <p>Cole – Report is numbers but not analysis, what can be done to help Council and staff to understand better? Zoeller – National standard formatting for reports. Pointed out areas in report that may help better understanding. Statistical section shows trends.</p> <p>Gibbs – second what Mayor said.</p> <p>Zoeller - general obligation bonds, debt service schedules overview. Current bond rating is AA2.</p> <p>Mayor – long term trend analysis, predict borrowing needs, pension liabilities. Zoeller – Pension liability fully compliant. Actuarially assumed shortage in pension, cannot contribute more to fund it. State funded.</p> <p>Ewalt - \$118M unrestricted revenue. Zoeller – can send detailed list. Shown in book as well.</p> <p>Kris Kukulski, City Administrator – hope to discuss future goals on Saturday.</p>

- **Public Comment:**
- None

TOPIC #2	Tax Abatement Annual Report
<b>PRESENTER</b>	<p>Patrick Klugman, Big Sky Economic Development - Powerpoint presentation and overview. Opportunity to grow and expand business. 5 year tax abatement – must have existing structure, minimum of \$500,000 capital investment. After 5 years, owner must pay 100% tax obligation. Tax savings only from incremental increase of the taxable valuation of property. Only to structure, not to land value. 10 year program – capital investment is only \$50,000 at least 50% gross revenue must be bringing money into State. Review capital investment and active tax abatement savings.</p> <p>Brown – CHS abatement approved in 2008 for 10 years. Another on started? Klugman – yes, different projects. Abatements for incremental increase. Most recent project hydrogen plant.</p> <p>Neese – Full time job creation, not turnaround. Klugman - correct. 1000-1200 temporary jobs not included in numbers.</p> <p>Friedel – Subaru not on list. Klugman - occurred in 2018, so will be on next list.</p> <p>Gibbs - \$1 investment, \$42 return? Formula from software (Jobs EQ), Tax Savings/2017 Yearly Payroll seems incredible, other metrics might be more important. Klugman – will review numbers. Sum of revenue, wages, overhead and profit. Send ideas for report ideas, if there are numbers not shown.</p> <p>Neese – Taxes saved from City/County/School, City portion \$51K. What is payroll difference from start of program to end? Klugman – can add increase annually to next report. Employees, etc. Could do for expired abatements.</p> <p>Klugman – when would Council like to see report? Mayor – any later would get into budget season. Friedel – January seems good.</p>
<b>NOTES/OUTCOME</b>	

- **Public Comment:**
- None

TOPIC #3	Public Comment on Items Not on the Agenda
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- None

<b>TOPIC #4</b>	<b>Council Discussion</b>
<b>PRESENTER</b>	
<b>NOTES/OUTCOME</b>	

- Kukulski – Saturday, Council Special Session from 8-12 at Community Center. Former Mayor Tooley will facilitate. Gibbs – agenda? Kukulski – hoping to have it published tomorrow. Packet material to follow.
- Joy – update on Wi-Fi? Kukulski – equipment needs updated in order to meet data needs. Hoping for early February.
- Mayor – just signed interim contract. Kevin Iffland, Assistant City Administrator – will get Airport through until free Wi-Fi can start.
- Ronning – Says “hi” to Riverside Middle School
- Cromley – current figures on OBSD study? Kukulski – do not know, partnership should know. \$300,000 on lobbyist. Ours or different? Kukulski – separate from ours.
- Kukulski – researching free Wi-Fi cost to City.
- Brown – using current provider? Iffland – staying with Boingo, figuring out bandwidth issues.
- Mayor – Kevin Ploehn, Airport and Transit Director, announced new Frontier Airlines service to Denver beginning in May.
- Yakawich - extends appreciation to snow plow staff. Martin Luther King interfaith service. Thanks Mayor and Mr. Kukulski for being part of community program.