



March 3, 2020, Billings Hotel & Convention Center,
1223 Mallowney Lane, Billings, Montana
7:00 PM Annual Meeting Minutes

The regular meeting of the South Billings Urban Renewal Association was called to order at 7 pm on March 3, 2020 by President Carolyn Rukstad.

Introductions

All in attendance introduced themselves; those attending that signed in were: Debbie Keller, Scott Hanser, Carolyn Rukstad, Jeff Muri, Mike Mayott, Wyeth Friday, Jim Tevlin, Denise Joy, Chris Kukulski, Lori Nelson, Kevin Nelson, Bill Cole, Mike Yakawich, Brynn Schwarz, Frank Ewalt, Andrew Houlihan, Frank Fuhrmann, Krista Hertz, Mitch Goplen, Sam Handley, Kelly Handley, Ted Bernhardt..

President Rukstad opened the meeting explaining the operating format the Board will use to conduct its meetings.

1. Minutes of February 4, 2020 Annual Meeting.

Jeff Muri moved, and Scott Hanser seconded the acceptance of the February regular meeting minutes. **APPROVED**

2. Proposed Fiscal Year 2021 SBURA Administrative Budget.

Mike Mayott presented the fiscal year 2021 proposed Administrative Budget to be presented to the Billings City Council for approval and inclusion in the City budget.

Scott Hanser moved, and Debbie Keller seconded to accept the proposed budget. **APPROVED**

(See Appendix A)

3. Recreation Center

Jim Tevlin, Tevlin Consulting LLC provided a summary of the recreation center slated for the 10 acres purchased by the City with SBURA TIF funds adjacent to Amend Park. Mr. Tevlin discussed the Vitcus Study calling for a \$40 - \$50 million facility, and the A&E planning process report calling for a \$71 million facility.

Mitch Goplen, Billings Clinic Vice President Facility Services, discussed the two approaches Billings Clinic uses when building facilities. 1) an affordability approach where the plans depend upon the funding available. 2) Best Experience / Right Sized approach wherein the facility is planned in parallel with revenues production of the facility in conjunction with the cost and maintenance/operation costs of the building.

Mr. Goplen offered to review the A&E study and discuss it with them to assist SBURA in moving the project forward.

4. SBURA Projected Cash Flow of Tax Increment Funding

Jim Tevlin of Tevlin Consulting LLC presented cash flow spreadsheets of actual funding for fiscal year 2019 and estimated cash flows for fiscal years 2020 through 2025. Mr. Tevlin used a 2% growth model for TIF Cash Receipts. 7% of cost of a \$30 million recreation center for its design; 3.3% interest rate for the Police Evidence Center Intercap loan and a 2.5% interest for a \$25 million bond for 25 years for the building of the recreation center.

Mr. Tevlin used the data to inform SBURA of possible funding available for projects. Mr. Tevlin offered his insight on the inclusion of unimproved roads adjacent to the Optimist Park SBURA project.

(See Appendix B)

Public Comment

Hillview Lane (unimproved street) property owners provided input that their property has been flooded numerous times due to the crown of their street. Mr. Frank Fuhrmann, a homeowner on Hillview, presented correspondence from past

SBURA consultant Zeier that Hillview was in the 2018 Billings City Council approved Capital Investment Plan (CIP). Mr. Fuhrmann stated he was informed Hillview would be improved in fiscal year 2021.

Chris Kukulski, Billings City Administrator discussed the process to work with Billings Public Works and Engineering to work out the costs of streets in the city.

Mayor Bill Cole outlined the three types of roads in the city

1. Arterials – all city residents pay for their improvements;
2. Collectors;
3. Neighborhood

Mayor Cole expressed his desire SBURA develop a policy for infrastructure improvements in the SBURA TIF that is in line with other parts of the City of Billings.

5. BOARD MEMBER ELECTION

President Rukstad reported three applications for the two vacant SBURA board positions had been received to date.

Mike Mayott moved and Scott Hanser seconded reclassifying board member Jeff Muri from “At-Large” to “Enterprise”. **APPROVED**

Mike Mayott moved, and Scott Hanser seconded extending the time to accept board applications for 60 days to reflect the open positions are for a home owner and an at-large member. **APPROVED**

Applications can be downloaded from the SBURA website (www.southbillings.org). Completed applications are to be mailed to the SBURA mailing address. President Rukstad set a deadline to receive applications by May 3, 2020

6. Project Updates

Mr. Tevlin of Tevlin Consulting provided an status update on all SBURA current projects.

- King Ave East – Public Works held a town meeting on February 25 at Ponderosa Elementary to discuss the next steps with the improvements to King Ave East. Approximately ten residents attended the meeting. No major issues were identified. Another town meeting will be held before construction begins.
- Hallowell Lane – Design is anticipated in the summer and fall with possible construction beginning in the fall of this year.

- Optimist Park - \$305k in FY21 CIP for construction of a picnic shelter, park benches, picnic tables, lighting and a disc golf course. This amount should roll into the FY21 budget. This is a Parks project funded with TIF dollars.
- Unimproved Streets – Cash forecast includes improvements to Ryan and Vaughn between Jackson & Hallowell. Amounts do not include SID's. These streets are collectors. We have improved arterials and collectors without SID's. SBURA board needs to consider SID policy for local streets.
- Orchard Playground – In FY19, SBURA committed \$46k to replace the pea gravel at Orchard Elementary with rubberized mulch. We've paid \$28k of this amount. Installation will take place as weather permits.
- Police Evidence Center – The expanded police evidence center project is approximately \$3.8 million. SBURA committed \$1.0 million toward this effort. I spoke with police quartermaster Mark Balter who said they expect the project to be complete by August. The estimated monthly debt service to pay the Police Department's InterCap Loan with the Montana Board of Investments is approximately \$121k per month.
- Amend Turf & Light – The TIF has committed \$1.6 million for this project to install field turf, lights and grandstands. The start date of the project is June 1 with completion by August 1.

Amend Park Development Council Executive Director Michael Mayott updated the board that engineering for the turf field took longer than expected to compete. The result was the contractor, FieldTurf USA needed to move the completion date to May 1, 2020. To move the completion date back a month would cause adverse economic impact on the park and its partners; therefore, it was agreed by Amend Park, The City of Billings Parks Department and FieldTurf USA to start the project on June 1, 2020 with a targeted completion date of August 1, 2020.

7. PUBLIC COMMENT

Public comment included a suggestion to have TIF projects cover their operational costs.

Respectfully submitted,

Michael Mayott
Secretary / Treasurer
SBURA

**APPENDIX A
PROPOSED FY 2021 ADMINISTRATIVE BUDGET**

	Jul '20 - Jun 21
Ordinary Income/Expense	
Income	
43400 · Direct Public Support	134,000.00
44400 · Government Contracts	0.00
Total Income	134,000.00
Expense	
62100 · Contract Services	
62110 · Accounting Fees	
62110.1 · Audit Fee	4,000.00
Total 62110 · Accounting Fees	4,000.00
62120 · Consulting Services	0.00
62140 · Legal Fees	7,500.00
62150 · Outside Contract Services	
62100.1 · Transistion	0.00
62150 · Outside Contract Services - Other	95,028.00
Total 62150 · Outside Contract Services	95,028.00
62100 · Contract Services - Other	0.00
Total 62100 · Contract Services	106,528.00
62800 · Facilities and Equipment	
62820 · Meeting Space Rental	5,000.00
Total 62800 · Facilities and Equipment	5,000.00
65000 · Operations	
65030 · Printing and Copying	200.00
65040 · Supplies	750.00
65050 · Telephone, Telecommunications	0.00
65060 · Public Notice	180.00
65070 · Web Site & Information Systems	5,000.00
Total 65000 · Operations	6,130.00
65100 · Other Types of Expenses	
65120 · Insurance - Liability, D and O	2,500.00
65160 · Other Costs	3,842.00
Total 65100 · Other Types of Expenses	6,342.00
68300 · Travel and Meetings	
68310 · Conference, Convention, Meeting	10,000.00
68300 · Travel and Meetings - Other	0.00
Total 68300 · Travel and Meetings	10,000.00
Total Expense	134,000.00

Net Ordinary Income

0.00

Net Income

0.00

APPENDIX B

South Billings Urban Renewal Association							
Statement of Cash Flows							
Per City of Billings General Ledger							
	Actual	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
	FY19	FY20	FY21	FY22	FY23	FY24	FY25
	July 1, 2018 to June 30, 2019	July 1, 2019 to June 30, 2020	July 1, 2020 to June 30, 2021	July 1, 2021 to June 30, 2022	July 1, 2022 to June 30, 2023	July 1, 2023 to June 30, 2024	July 1, 2024 to June 30, 2025
Operating Activities							
City Cost Allocation	(53,811)	(35,688)	(45,000)	(45,000)	(45,000)	(45,000)	(45,000)
Fee for Service-City	(3,588)	(9,741)	(9,741)	(9,741)	(9,741)	(9,741)	(9,741)
SBURA Administration	(120,738)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)	(138,700)
Legal Fees	(15,476)	-	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Administration	(3,000)	(1,695)	(1,695)	(1,695)	(1,695)	(1,695)	(1,695)
Contingency	-	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
	(196,614)	(195,824)	(207,136)	(207,136)	(207,136)	(207,136)	(207,136)
Investing Activities							
TIF Cash Receipts	3,526,841	3,877,256	3,954,801	4,033,897	4,114,575	4,196,867	4,280,804
Midland Road	(2,385,991)	(124,701)	-	-	-	-	-
Business Development	(301,973)	-	(500,000)	(500,000)	-	-	-
Amend Park Land Purchase	(943,914)	-	-	-	-	-	-
Recreation Center	(163,767)	(6,140)	-	-	-	-	-
Recreation Center-design	-	-	(2,100,000)	-	-	-	-
Optimist Park	(137,235)	-	(304,978)	(170,000)	-	-	-
Field Turf Project	(80)	(1,650,000)	-	-	-	-	-
Orchard School Project	-	(45,676)	-	-	-	-	-
Boys & Girls Club	-	(58,375)	-	-	-	-	-
Police Evidence Center	-	(1,000,000)	-	-	-	-	-
King Ave East	(11,361)	(428,841)	(2,800,000)	-	-	-	-
Hallowell	-	-	(3,800,000)	-	-	-	-
Unimproved Streets	-	-	-	(1,107,650)	(1,086,370)	(535,270)	-
Other	-	-	-	-	-	-	-
	(417,480)	563,523	(5,550,177)	2,256,247	3,028,205	3,661,597	4,280,804
Financing Activities							
2015 & 2016 Bonds	(645,644)	(644,494)	(642,291)	(643,619)	(645,346)	(641,456)	(641,731)
Police Evidence Center-Debt Service	-	-	(120,966)	(241,932)	(241,932)	(241,932)	(241,932)
Recreation Center-debt service	-	-	-	(312,500)	(1,612,500)	(1,587,500)	(1,562,500)
	(645,644)	(644,494)	(763,257)	(1,198,051)	(2,499,778)	(2,470,888)	(2,446,163)
Net Change in Cash	(1,259,737)	(276,795)	(6,520,570)	851,060	321,291	983,573	1,627,505
Cash Balance-Beginning	8,231,446	6,971,709	6,694,914	174,344	1,025,405	1,346,696	2,330,268
Cash Balance-Ending	6,971,709	6,694,914	174,344	1,025,405	1,346,696	2,330,268	3,957,773