

JOURNAL OF COMMISSION PROCEEDINGS

December 19, 2017

Regular City Commission Meeting
Commission Chambers Room 206

CALL TO ORDER 7:00 P.M.

PLEDGE OF ALLEGIANCE

ROLL CALL/STAFF INTRODUCTIONS

City Commission members present: Bob Kelly, Bill Bronson, Tracy Houck, Fred Burow and Bob Jones. Also present were City Manager Greg Doyon and Deputy City Manager Chuck Anderson; City Clerk Lisa Kunz; Public Works Director Jim Rearden; Planning and Community Development Director Craig Raymond; Finance Director Melissa Kinzler; Park and Recreation Director Steve Herrig; City Attorney Sara Sexe; and, Police Chief Dave Bowen.

AGENDA APPROVAL

No changes were proposed by the City Manager or City Commission. The agenda was approved as submitted.

*** Action Minutes of the Great Falls City Commission. Please refer to the audio/video recording of the meeting for additional details ***

PETITIONS AND COMMUNICATIONS

1. Miscellaneous reports and announcements.

None.

NEIGHBORHOOD COUNCILS

2. Neighborhood Council 6 - Good Neighbor Award Presentation.

City Commissioner Tracy Houck expressed appreciation to all of the neighborhood council representatives for their time and the good work that they do for the betterment of their neighborhoods and the City.

Cherry Loney, Carl Donovan and Julie Parker, NC 6, recognized five people that were presented with Good Neighbor awards: Officer Donny Gerhart for his outstanding support, help with special projects, and for addressing concerns and complaints in the neighborhood; Neighborhood Council Coordinator Patty Cadwell for her outstanding support and service on council projects and activities; Sunnyside Elementary Principal Lance Boyd for his efforts of revitalizing the Neighborhood Watch program in the neighborhood; and, neighbors Emma White and Anita Hepner for their faithful attendance and important contributions to council discussions.

Representative Loney also expressed appreciation to Public Works staff for their work on the

Upper Lower River Road drainage mitigation project.

3. **Neighborhood Council 1 Drawing of Tie-Vote Write-In Candidates.**

Due to tie votes between the write-in candidates for the fifth seat on Neighborhood Council 1 the Commission conducted a drawing. Commissioner Jones drew the name of Zach Angstead.

4. **Miscellaneous reports and announcements from Neighborhood Councils.**

None.

BOARDS AND COMMISSIONS

5. **Appointment, Mansfield Center for the Performing Arts Advisory Board.**

Commissioner Burow moved, seconded by Commissioner Jones, that the City Commission appoint Grant Harville for the remainder of a three year term through December 31, 2019, to the Mansfield Center for the Performing Arts Advisory Board.

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioner Burow inquired if there were any concerns with potential conflicts of interest with Mr. Harville being the director of the symphony and frequently renting the Mansfield Center.

City Attorney Sara Sexe responded that it appears there would not be an issue in that regard. If concerns arise, it might be something addressed by the new Ethics Committee.

Mayor Kelly asked if there were any comments from the public.

Carl Donovan, 1509 13th Avenue South, commented that he is a member of the Mansfield Center for the Performing Arts Advisory Board and, in the past, there has always been somebody from the symphony as well on the board. It helps the board see the whole picture and has worked well in the past.

Mayor Kelly asked if there was any further discussion amongst the Commissioners.

Commissioner Houck noted that Mr. Gomoll also serves on the board and he is the director for the Community Concert Association. Members are appointed by the City Commission with an attempt to have representation from the areas of performing arts, conventions and meetings, and civic leaders.

There being no further discussion, Mayor Kelly called for the vote.

Motion carried 5-0

6. **Appointment, Advisory Commission on International Relationships.**

Commissioner Houck moved, seconded by Commissioner Burow, that the City

Commission appoint Anna Schendel to the Advisory Commission on International Relationships for the remainder of a three-year term through March 31, 2020.

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0

7. **Reappointments, Park and Recreation Board.**

Commissioner Jones moved, seconded by Commissioner Bronson, that the City Commission appoint Lynn Ulmer Oatman and June Sprout for three-year terms beginning January 1, 2018, through December 31, 2020, to the Park and Recreation Board.

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0

8. **Appointment, Design Review Board.**

Commissioner Bronson moved, seconded by Commissioner Houck, that the City Commission appoint Shannon Wilson to the Design Review Board for a partial three-year term through March 31, 2019.

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0

9. **Miscellaneous reports and announcements from Boards and Commissions.**

None.

CITY MANAGER

10. **Miscellaneous reports and announcements from the City Manager.**

City Manager Greg Doyon commented that he provided a summary of the proposed Park Maintenance District to the City Commission this evening, and he will add the topic to the next work session agenda.

Manager Doyon reported and announced:

- that the Park and Recreation Department finished trimming trees on the hazard tree list and

- will now have more time for ongoing tree maintenance;
- that Guy Tobacco Construction, A.T. Klemens, Johnson Madison Lumber and Bench Industries were involved in this year's tradition of having a Christmas tree in front of the Civic Center for everyone to enjoy;
 - the City was recently notified by EPA that it released the City of the conditions of the Consent Decree between Malt Europe, EPA and the City;
 - Assistant Fire Chief Ron Scott announced his retirement after 25 years of service;
 - the legal department has started a public education "Lunch with Legal" program that will be aired live on cable channel 190 the third Tuesday of each month and re-aired on Tuesdays at noon;
 - Boards, Commissions and Neighborhood Council training is scheduled for January 22nd and 23rd and will be facilitated by Dan Clark of the MSU Local Government Center;
 - there are two vacancies and three applications for the Airport Authority Board. The Commission will conduct interviews on January 16th beginning at 4 p.m.;
 - applications for the Ethics Committee have been received. A staff report will be provided to the Commission, but staff will not provide recommendations;
 - the energy supply contract that was awarded to Energy Keepers was at a rate of \$29.25 per megawatt hour that will result in considerable savings over the five year contract - about \$285,000 per year compared to the current contract and about \$750,000 in savings compared to NorthWestern Energy; and,
 - that he declined the job offer in Billings.

Manager Doyon concluded that it has been a pleasure working with Commissioners Jones and Burow. There have been a lot of accomplishments during their tenure that made a significant difference with the direction of the City.

CONSENT AGENDA

11. Minutes, November 30, 2017, Special City Commission Meeting.
12. Minutes, December 5, 2017, City Commission Meeting.
13. Total Expenditures of \$3,525,844 for the period of November 16, 2017 through December 6, 2017, to include claims over \$5,000, in the amount of \$3,323,376.
14. Contracts List.
15. Approve Final Payment for the 8th Avenue North Water Main Replacement – **OF** 18th Street to 24th Street & 32nd Street to 34th Street, in the amount of **1716** \$44,417.02 to United Materials of Great Falls, Inc., and \$448.66 to the State Miscellaneous Tax Fund and authorize the City Manager to make the payments.

16. Approve Final Payment for the Gore Hill Water Tower – Water Main Extension, in the amount of \$12,014.39 to Ed Boland Construction and \$121.36 to the State Miscellaneous Tax Fund and authorize the City Manager to make the payments. **OF 1625.2**

Commissioner Bronson moved, seconded by Commissioner Burow, that the City Commission approve the Consent Agenda as submitted, with the exception of Item 14D for separate consideration.

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioner Jones referred to Item 13 that included a final payment to Williams Civil Construction and noted that he abstained from the vote on issuance of the contract because his son is a project manager for the Bozeman office, but will be voting to make the final payment.

Mayor Kelly asked if there were any comments from the public. Hearing none, Mayor Kelly called for the vote on the Consent Agenda items with the exception of Item 14D.

Motion carried 5-0

Commissioner Bronson commented that Item 14D is an engagement letter for special emphasis audit services in connection with the CDBG program. Because the audit pertains to NeighborWorks where his wife is employed he will recuse himself from discussion and vote.

Commissioner Burow moved, seconded by Commissioner Jones, that the City Commission approve item 14D.

Mayor Kelly asked if there was any further discussion amongst the Commissioners or comments from the public regarding Item 14D. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0-1 (Commissioner Bronson abstained)

PUBLIC HEARINGS

17. **Request for Downtown Urban Renewal District Tax Increment Financing (TIF) Funds to assist with the annual operating costs for the Downtown Development Partnership.**

Planning and Community Development Director Craig Raymond reported that the Downtown Urban Renewal and Tax Increment Financing (TIF) District generally encompasses the Great Falls central business district and periphery properties.

The City has a formal “Tax Increment Application Process” for considering funding requests from private and public sector entities for the use of TIF funds. For the Downtown Urban Renewal TIF District, the Downtown Development Partnership (DDP) has been designated as the advisory body that considers proposals and makes recommendations to the City Commission. For final action, the City Commission considers the DDP recommendation and approves or rejects the funding request, along with any special terms of approval. In this particular instance,

the DDP is not the recommending party but rather the applicant for TIF funds.

Director Raymond reviewed Montana TIF regulations and established criteria in the TIF application.

There would be no significant negative fiscal impacts that would result from funding this application. The positive impacts would include aiding an agency that was formed to help bring development to the downtown. Any increase in development downtown would increase the tax base which would ultimately increase the fund balance of the TIF.

The Downtown TIF Fund currently has a balance of \$284,736.96. The funds for the 2018 fiscal year have not been received as of this date. There is adequate funding in the TIF to fulfill the request.

Mayor Kelly declared the public hearing open.

Speaking in support were:

Brett Doney, 300 Central Avenue, Chairman of the DDP Board, commented that there are 11 designated partners of the DDP plus at large representatives that support downtown revitalization. Of the 11 main partners, six are exempted from paying any membership dues. Downtown volunteers average 9,000 hours per quarter. This request is for a match that will stretch its funds further to pay for insurance, bank fees, conferences, etc.

Sheila Rice, NeighborWorks, 509 1st Avenue South, commented that a full report on the downtown plan will be made at a work session to the Commission. This request is a small measure of support for all of the work that the DDP has accomplished.

Shane Etzweiler, Great Falls Area Chamber of Commerce, 100 1st Avenue North, added that the pedlet project was well received, and approval of this item will help fund other projects.

No one spoke in opposition.

Mayor Kelly closed the public hearing and asked the will of the Commission.

Commissioner Houck moved, seconded by Commissioner Jones, that the City Commission approve the expenditure of \$5,000 in Downtown Urban Renewal District Tax Increment Financing funds to assist with the operating costs for the Downtown Development Partnership.

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioner Bronson commented he has serious reservations about this and the related request going forward at this time. The funding request is eligible and there is no problem with this type of request falling within the expense requirements under the laws dealing with TIF. He has concerns considering these requests at this time. His preference would be to put off consideration of these two requests until sometime after the first of the new year. He explained that he has been involved with a TIF working group during this legislative session. TIF continues to be under significant scrutiny by the legislature. It has been impressed upon the working group that when TIF Districts start getting into issues other than infrastructure development it starts to raise red flags with the legislature. Proposals to use money up front for things like administrative expenses when there is not a clear indication of where this particular

district is going to go concerns him.

He further commented that what other cities are doing with TIF Districts in urban renewal areas are leveraging these dollars for public infrastructure, to buy blighted properties that are going to private developers who are building facilities on them and, as a result, even enhancing the value of the district even more.

During the past six years in downtown Great Falls there has been a lot of successes. However, he would rather keep accumulating the money for major projects. He suggested that the City should be focusing on projects like the Rocky Mountain Building that has been vacant from a fire nine years ago, for example, to do a significant redevelopment of the downtown.

Commissioner Houck inquired if Commissioner Bronson had expressed those concerns with the DDP.

Commissioner Bronson responded that he directed questions to staff and received some information back today. He would prefer the DDP membership present at a public work session meeting. He is not necessarily opposed to these expenditures, just that now is not the right time.

Commissioner Houck continued that the speakers commented in support because they believe that this is money that is needed to make projects go forward. She inquired if these items were delayed if it would impact the DDP's grant matching opportunities or other future projects.

DDP Board Chairman Doney expressed frustration explaining that these items have been discussed at DDP Board meetings for many months. He pointed out that the City's internal charges to the DDP last fiscal year to administer the TIF was \$10,150.94.

Commissioner Houck expressed frustration that Commissioner Bronson's TIF information and concerns weren't made known to the other commissioners until this evening and that could impact votes.

Commissioner Jones commented that there have been a lot of improvements made in the downtown district and he wants to move forward on these items.

Commissioner Burow commented that, even though it is allowed by law, he has an issue with supporting these items. He would rather the TIF money be used for infrastructure and not operating costs of an organization.

Mayor Kelly concluded that the law currently reads that administrative costs associated with the management of an urban renewal area or targeted economic development districts are legal and eligible targets for this particular funding.

Commissioner Bronson commented that he attends many of the DDP meetings.

Commissioner Houck inquired of Director Raymond if, after recent conversation, the staff recommendation to approve was still the same and was informed yes.

There being no further discussion, Mayor Kelly called for the vote.

Motion carried 3-2 (Commissioners Burow and Bronson dissenting)

18. **Request to expend Downtown Urban Renewal District Tax Increment Financing (TIF) Funds for the Downtown Development Partnership's downtown website.**

Planning and Development Director Craig Raymond reported that The Downtown Urban Renewal and Tax Increment Financing (TIF) District generally encompasses the Great Falls central business district and periphery properties.

The City has a formal "Tax Increment Application Process" for considering funding requests from the private and public sectors for tax increment assistance from TIF Districts. For the Downtown Urban Renewal TIF District, the Downtown Development Partnership (DDP) has been designated as the advisory body that considers proposals and makes recommendations to the City Commission. For final action, the City Commission considers the DDP recommendation and approves or rejects the funding request, along with any special terms of approval. In this particular instance, the DDP is not the recommending party but rather the applicant for TIF funds.

The application seeks \$5,000 to assist with the development of a downtown website. The website will help facilitate the concept of "One Downtown" by joining all downtown groups together on one website that would encourage individuals to shop, play and live downtown. The website would also provide information to developers looking to bring new projects downtown. By utilizing a single point of entry, the developer, business or retailer can find the resources and information needed to bring their project downtown.

Director Raymond reviewed Montana TIF regulations and established criteria set forth in the TIF application.

There would be no significant negative financial impacts that would result from funding this application. The positive impacts would include aiding an agency to develop a website that could bring potential developers, employers and consumers to the downtown district. The website could potentially increase development downtown and increase the tax base which would ultimately increase the fund balance of the TIF.

The Downtown TIF Fund currently has a balance of \$284,736.96. The funds for the 2018 fiscal year have not been received as of this date. The website is anticipated at this time to be a single year project, so this one time expense will have a minimal impact on the Downtown TIF fund balance.

Mayor Kelly declared the public hearing open.

Speaking in support were:

Brett Doney, Great Falls Development Authority, 300 Central Avenue, commented that there are multiple downtown websites. It was decided to build on the website of the Downtown Great Falls Association that is focused on shopping, entertainment, eating and drinking downtown. The DDP wants to add two key components: to promote properties to attract developers and entrepreneurs to invest in the downtown, and to promote living downtown.

Shane Etzweiler, Great Falls Area Chamber of Commerce, 100 1st Avenue North, commented that, if approved, the funding will not only help promote live, work and play downtown, but also

invest downtown.

Sheila Rice, NeighborWorks Great Falls, 509 1st Avenue South, added that they are building the foundation for the growth of downtown. The key part to this request is that, in today's world if you are not on the web, you don't exist.

No one spoke in opposition.

Mayor Kelly closed the public hearing and asked the will of the Commission.

Commissioner Jones moved, seconded by Commissioner Houck, that the City Commission approve the use of up to \$5,000 in Downtown Urban Renewal District Tax Increment Financing funding for the Downtown Website requested by the Downtown Development Partnership.

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioners Bronson and Burow indicated they had similar concerns as the previous item and were not in support of this item.

Commissioner Jones commented he is proud of the revitalization being done downtown.

Commissioner Houck commented that this partnership does things that impact all of Great Falls.

There being no further discussion, Mayor Kelly called for the vote.

Motion carried 3-2 (Commissioners Burow and Bronson dissenting)

OLD BUSINESS

NEW BUSINESS

19. Comprehensive Annual Financial Report (CAFR) and Audit Report, FY 2016-2017.

Finance Director Melissa Kinzler reported that the City's Audit Committee, comprised of one City Commissioner, the Mayor, two citizens, the City Manager, and the Finance Director, met on December 1, 2017, to review the FY 2016-2017 CAFR, the Independent Audit's report, summary of the FY 2016-2017 audit, and the Required Client Communication Letter containing one current and no prior recommendations.

This is the second year of a three year audit contract with Anderson ZurMuehlen & Co., P.C. The audit contract is between Anderson ZurMuehlen & Co., P.C., the City of Great Falls, and the Montana Department of Administration, Local Government Services Bureau.

The Required Client Communication Letter comments on any internal control recommendations related to the operations of the City that could adversely affect the City's ability to record, process, summarize, and report financial data.

The Audit Committee recommends the City Commission accept the CAFR, annual Independent

Auditor's report, Required Client Communication Letter and the City's response to the Required Client Communication Letter.

Rick Reisig, Anderson Zurmuehlen & Co., 21 10th Street South, commented that it is very prestigious of the City and City staff that it continually puts forth a CAFR and also receive the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for many years. He briefly summarized the sections of the CAFR. The independent auditor's report is contained on pages 7 - 9. It is an unmodified, or clean, audit opinion. He referred to the single audit section of the CAFR and two reports: the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, and the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidelines. He reported there were no findings of internal control weaknesses or non-compliance with laws and regulations to report.

Commissioner Burow moved, seconded by Commissioner Bronson, that the City Commission accept the FY 2016-2017 CAFR, the Required Client Communication Letter as presented, and authorize staff to submit the related reports to other government agencies and financial institutions as necessary.

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Finance Director Melissa Kinzler and staff were commended for their work.

Mayor Kelly asked if there were any comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0

ORDINANCES/RESOLUTIONS

20. **Ordinance 3178, Assigning a zoning classification of C-2 General Commercial to the property described in Certificate of Survey 5114 as a Tract of Land Being a Portion of Vacated Railroad Right-Of-Way Located in the SE 1/4 NE 1/4 Section 3, T20N, R3E, PMM, Cascade County, Montana. (The Subject Property is immediately adjacent to and under the same ownership as property addressed as 1025 Northwest Bypass.)**

Planning and Community Development Director Craig Raymond reported that in September, 2017, the City received an application from Steve Vick, et al. (applicants), requesting annexation of the subject property into the City of Great Falls and assignment of C-2 General Commercial zoning. Applicants represent 100% of the property owners seeking annexation, with the desire to combine the subject property with the adjoining Star Tract Addition, also owned by the Applicant, in order to more effectively market the vacant properties for commercial development.

No development is proposed at this time.

The subject property comprises a rectangular parcel approximately 220 feet wide and 80 feet deep located north of the intersection of NW Bypass and 11th Street NW, and adjacent to the vacant Star Tract Addition addressed as 1025 NW Bypass – formerly the site of a gas station/convenience store. The subject property, which is also vacant, is former railroad right-of-way and, like most of this former right-of-way, does not abut a public or private street.

At the conclusion of a public hearing held on November 14, 2017, the Planning Advisory Board/Zoning Commission recommended the City Commission approve the annexation and assign a C-2 General Commercial zoning classification upon annexation of the subject property, subject to conditions.

The effect of the proposed annexation and the proposed zoning of the subject property as C-2 General Commercial upon annexation will have no substantial impact to the health, safety and welfare of the City. It is anticipated that the future use of the property will be compatible with neighboring uses if C-2 General Commercial zoning is assigned to the property.

Commissioner Jones moved, seconded by Commissioner Burow, that the City Commission accept Ordinance 3178 on first reading and set a public hearing for January 16, 2018.

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0

21. **Ordinance 3183, Amending Title 2, Chapter 21, Section 040, of the Official Code of the City of Great Falls (OCCGF), Pertaining to Code of Ethics Definitions.**

City Attorney Sara Sexe reported that City staff continues to update the Official Code of the City of Great Falls (OCCF), with input from the different departments. The City Commission adopted Ordinance 3169 in 2017 that repealed and replaced Title 2 of the OCCGF in its entirety. The Ordinance under consideration, if approved, would amend Title 2, Chapter 21, Section 040 of the OCCGF, pertaining to Ethics Code Definitions. Specifically, the proposed ordinance will change the definition of "Officer" to include the Director of the Housing Authority.

Commissioner Houck moved, seconded by Commissioner Bronson, that the City Commission adopt Ordinance 3183.

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0

CITY COMMISSION

22. **Miscellaneous reports and announcements from the City Commission.**

Commissioner Burow commented that it has been a pleasure serving on the Commission and working with City staff the past eight years. He recognized and expressed appreciation to several members of the public that attend Commission meetings to pray for the Commission.

Commissioner Jones commented he is proud of the department heads that have made a lot of progress. It was a privilege to serve the community and he is proud of the accomplishments throughout the years.

Mayor Kelly presented Commissioners Bob Jones and Fred Burow with outgoing plaques of appreciation for their service.

23. **Commission Initiatives.**

None.

ADJOURNMENT

There being no further business to come before the Commission, **Commissioner Jones moved, seconded by Commissioner Bronson, to adjourn the regular meeting of December 19, 2017, at 8:40 p.m.**

Mayor Bob Kelly

City Clerk Lisa Kunz

Minutes Approved: