

**JOURNAL OF COMMISSION WORK SESSION**  
**October 4, 2011 - Revised**

City Commission Work Session

Mayor Winters presiding

**CALL TO ORDER:** 5:30 p.m.

**ROLL CALL:** City Commissioners present: **Michael J. Winters**, Bill Bronson, Fred Burow, Mary Jolley, and Robert Jones. Also present were the Deputy City Manager; Directors of Fiscal Services, Park and Recreation, and Planning and Community Development; Executive Director of the Housing Authority; Police Chief; and the Administrative Secretary.

**1. DOWNTOWN GREAT FALLS UPDATE – MASTER PLAN AND CDBG INVESTMENT IN DOWNTOWN**

Planning and Community Development Director Mike Haynes reported the Resolution of Intention to adopt the Downtown Master Plan would be considered by the City Commission at their regularly scheduled meeting following the Work Session. Mr. Haynes noted the master planning process relates to the 2005 City of Great Falls Growth Policy.

Mr. Haynes reviewed MCA 76-1-601(3)(4) growth policy requirements and guidelines. The Downtown Master Plan is intended to be an attachment to the growth policy. The master planning process was a community-wide effort started in August 2010. There were 24 public meetings, over 100 community members were active in the process, and several open houses were held.

Mr. Haynes reported the Plan is the community's vision for Downtown. It is a strategically focused, goal driven, citizen-led blueprint for future growth and development. The four key themes include vitality, livability, character, and accessibility. Mr. Haynes reviewed the organization and implementation plans. The project, led by Project Manager Brant Birkeland, received the 2011 Professional Achievement Award by the Montana Association of Planners on September 15, 2011.

Mr. Haynes noted that taking the plan to reality will include the creation of a downtown development partnership (board) and the reestablishment of a Downtown Tax Increment Financing (TIF) district. Implementation of the plan will involve continued collaboration, partnership, and transparency among the City, downtown stakeholders, and committed citizens.

The Planning Advisory Board recommended the City Commission adopt the Downtown Master Plan. The public hearing will be held on October 18, 2011.

Historic Preservation Officer Ellen Sievert stated the Downtown Master Plan includes three of the five historic districts in Great Falls. Audience member Carol Bronson reported that a group formed out of the Downtown Action Alliance has agreed to take on the safety elements of the plan. The Safety Sub-Committee of the Downtown Action Alliance is made up of the BID, the

Police Department, Weed and Seed, Neighborhood Councils, Downtown Great Falls Association, and one other group.

Rehab Specialist Bruce Haman explained he oversees the Housing Rehab Department. The City has been involved with the program for 30 years. The City lends money to downtown landlords to fix up their buildings, resulting in the commercial space being renovated. In addition, the general fund is not impacted.

Mr. Haman reported there are approximately \$2.5 million in grant funds the City has loaned over 30 years. The city receives back between \$350,000 and \$600,000 per year for the program. A decision was made in 2006 to target a lot of the money downtown.

HOME funds are used for low income housing; CDBG funds are used for housing rehab and block grant. The Housing Rehab Department provides deferred payment loans for houses; rental improvement loans for rentals; water and sewer loans for hookups to homes; and historic restoration loans.

To date, nearly \$800,000 has been loaned to downtown landlords to renovate units. The program helps landlords receive increased rent and improve rental standards. He noted that funds received from paybacks of loans are again loaned out.

Mr. Haman reviewed rental improvement projects including electrical service, windows, roofs, boilers, commercial fronts, parking, and interior renovations. Although loans are zero interest, the City receives back a building that is not an eyesore; decent housing; and the tax base increases.

Mr. Haman reported one rental renovation project hasn't had people in the units since 1959. The owner is creating eight units above his commercial business. Plans are to keep the original woodwork, including interior doors. Floors are being restored to the natural clear wood, and windows are being uncovered. The exterior is also being renovated.

Mr. Haman reported that many of the loans would not have been possible without funding from the Housing Rehab Department because banks have felt there was too much risk to invest downtown. He added that two current property owners are looking to buy more property downtown to renovate more units.

Mr. Haman noted the improvements coincide with the Downtown Master Plan and downtown foot traffic. If the City leads the way, banks will see there isn't much risk because people will live in renovated units. If people are living in the units, businesses will come to where people live.

Mr. Haman also showed slides of renovated residential homes.

Commissioner Jolley asked for information on the new historic restoration loan program. Mr. Haman responded that the program was started last year to keep entryways and doors original, and commercial projects can qualify.

Commissioner Bronson applauded Steve Alley for his restoration projects.

Commissioner Jolley questioned the percentage of loan defaults. Mr. Haman responded that over the last seven years only one loan was turned over to collections and half of the money was repaid.

Executive Director of the Housing Authority Kevin Hager reported that since 1980 he recalled two additional loan defaults.

Commissioner Burow questioned if loans were available for commercial projects. Mr. Haman responded that commercial loans are not available.

## **2. SPECIAL EMPHASIS AUDIT REPORT**

Fiscal Services Director Melissa Kinzler introduced Kelby Donnelly, CPA, and Amanda Boutilier, CPA, of Junkermier, Clark, Campanella, Stevens, P.C. (JCCS) to review the agreed upon procedures concerning the electric fund for Fiscal Year ended June 30, 2010. She explained the report was presented, reviewed, and approved by the City's audit committee comprised of Mayor Winters, Commissioner Jolley, City Manager Greg Doyon, Fiscal Services Director Melissa Kinzler, and private citizen Joann Fisher. Ms. Kinzler expressed appreciation to Ms. Fisher.

Ms. Donnelly reported JCCS was engaged to perform agreed upon procedures on the electric utility fund, separate from the audit engagement. She explained management provided specific procedures on how to conduct the engagement. The procedures are listed in items A – G in the report. Following each item are the results of the procedures.

Ms. Donney reported that Ms. Boutilier performed most of the testing and inquires to complete the report. She added copies were distributed to the Commission, and additional copies were available.

Ms. Donney asked for questions from the Commission. No one responded.

Mayor Winters asked for additional business from the Commission. Deputy City Manager Jennifer Reichelt reported City Manager Greg Doyon was sick and she would attend the City Commission meeting. Additionally, both the City Manager and the Deputy City Manager would attend the Montana League of Cities and Towns conference in Billings October 5-7, 2011. Police Chief Corky Grove would serve as Acting City Manager.

## **ADJOURN**

There being no further discussion, Mayor Winters adjourned the work session of October 4, 2011, at 6:12 p.m.