

JOURNAL OF COMMISSION WORK SESSION
June 7, 2011

City Commission Work Session

Mayor Winters presiding

CALL TO ORDER: 6:00 p.m.

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

1. HISTORIC PRESERVATION ADVISORY COMMISSION UPDATE

Historic Preservation Officer Ellen Sievert provided a PowerPoint presentation on the Historic Preservation Advisory Commission (HPAC). She explained that half of the members are appointed by the City and half are appointed by the County. Current members include Ken Robison, who has a master's degree in history and has recently published a book on Great Falls and Cascade County; archaeologist Jerry Clark; Carol Bronson, director of Weed and Seed; Carol Bradley, journalist and published author; and Dr. Jerry McKinney, who has a background in criminal justice. She noted the broken-window theory that when a place is taken care of, people take care of it. Also included are Kelly Parks, realtor, and owner of the Paris Gibson home, a piece of the National Historic Landmark; Ryan Forde, with expertise in landscape and urban design; Joan Redeen, BID Executive Assistant and ex-officio member; and Ken Sievert, who has a master's degree in architecture. Ms. Sievert added she is an architectural historian, staff for the HPAC, and works in the Planning and Community Development Department. Bob Milford, a private investigator, is the current HPAC Chairman.

Ms. Sievert reported the HPAC mission is to identify resources that tell the story of Great Falls, evaluate them according to criteria developed by the National Park Service, and protect those resources designated significant. HPAC provides educational programs, works to integrate preservation into City zoning and planning, and celebrates historic preservation successes.

Ms. Sievert reported historic preservation creates jobs that are labor-intensive and material-conservative, and those jobs instill pride in the community and cannot be out-sourced. She stated the 2009 legislature set aside \$3.6 million for preservation projects across the state. Cascade County received \$185,865 that was used for a new heating and air conditioning system in the History Museum, a new roof for the Belt Theater, and is providing a coating for the Tenth Street Bridge.

Since its inception in 1976, the Federal Historic Rehabilitation Income Tax Credit program has generated 1.8 million jobs nationwide. The total federal cost of \$16.6 million has leveraged a five times greater amount of historic preservation costs – a total of \$85 billion. Although the local benefit from this program has not been as much as would have been liked, Ms. Sievert reported several projects have been rehabbed through the program.

Ms. Sievert commented that every building was designed by someone; every brick, stone, and piece of trim was put in place by hand and care must be given to that legacy so the work of those craftsmen will remain to tell the story of Great Falls. Recent historic preservation awards recognized the Bricklayers & Allied Craftsmen Local #3. That program brings in masonry workers for training, with a focus on restoration work. Also recognized were the Union Bethel AME Church for stabilizing the bell tower; the historic stone barn in Sun River received a new roof and a corner was stabilized; FWP has plans for approximately eight restoration features at Giant Springs State Park; and PP&L has provided substantial funding for public recreation use along the river.

Ms. Sievert commented that tourism is the largest industry in the world, and she noted local sites including the First Peoples Buffalo Jump which had visitors from nine countries and twenty-five states in the first four months of 2010. The economic impact of tourism in Montana is approximately \$2.3 billion, with total direct jobs over 25,000. Visitors are traveling to see local history and culture, and resources must be cared for so visitors aren't disappointed.

Ms. Sievert added that award recipients also included Carol "The Trolley Lady" Place for her tireless promotion of Great Falls, and the Dreyer brothers for their plans to restore the Columbus Center. She noted the smallest historic district in Great Falls, the West Bank District, was listed on the National Register of Historic Places in 2010. The Ursuline Academy will be 100 years old in 2012 and will be the inspiration for the 2011 Christmas ornament.

Ms. Sievert reported a grant was received for a reprint of the Northside Residential Walking Tour brochure. Another grant was received for the Downtown Technical Assistance program to do feasibility studies for downtown historic buildings. The City has already benefited from joining the Main Street program in 2010. Joe Lawniczak of Wisconsin has produced renderings of how downtown buildings could appropriately look, particularly the Rocky Mountain Building.

2. OUTSOURCING CITY WEBSITE

IT Manager Jon Legan provided a PowerPoint presentation for "outsourcing" of the City website. Currently a Web Specialist manages the website including design and updates. However, IT is in need of a database administrator and outsourcing the City website could be an alternative to adding a full-time position. The current Web Specialist has already received SQL training and is administering the City's databases on a part-time basis.

Mr. Legan noted that updates from departments are sometimes needed when the Web Specialist is not available. The Web Specialist currently spends 80-90% of her time managing the website. He would prefer that she spend 80-90% of her time managing the city's databases.

Mr. Legan reviewed the benefits of outsourcing the website to a team of professionals including departments managing their own content using a content management system (CMS); adding sub-sites such as the animal shelter and the library; the possibility of a better search engine; enhanced mobile web technology and social media integration; complaint interaction/tracking; and 24-hour offsite support. An additional benefit would be the reclassification of the current Web Specialist.

Mr. Legan explained that the City would still manage the website; only the web design would be

outsourced. There would be content managers in every department making changes to their web pages. However, the Web Specialist would continue to oversee the website.

Mr. Legan reported that Montana cities currently outsourcing websites include Billings, Missoula, Hamilton, and Livingston. The approximate costs from three vendors include a one-time charge from Civic Plus of \$54,000, with \$7,645 maintenance fees; Vision Internet was \$48,970, with \$3,600 annual fees; Revize was \$26,850, with \$3,400 annual fees.

Mr. Legan added there is money available in the current budget. Commissioner Jolley asked if the vendor startup costs include training. Mr. Legan responded that is correct; rebuilding the website is also included.

Deputy City Manager Jennifer reported the cost ranges were only from three companies. An RFP would be issued and interested companies would respond. Mr. Legan believes approximate costs would be \$50,000 for the first year, and \$5,000 annually.

City Manager Greg Doyon questioned how many web hits the city websites receives. Mr. Legan said he can get that information. Mr. Doyon believes there is a fair amount and noted the importance of an effective and efficient City website. He recommended proceeding with the RFP.

Commissioner Burow commented that it is important to insure that all needs are included in the startup fees. Mr. Legan reported the draft RFP includes assurance that the City will own the web code and the website.

The Commission agreed to support proceeding with an RFP.

3. BUILDING PERMIT FEES

Planning and Community Development Director Mike Haynes provided a PowerPoint presentation on the building fund. He reported that the ICC recommends the building fund be at 12 months of expenses (\$900,000). Over the past 23 months, the fund has dropped from \$742,000 to \$242,000. FY 2012 projections are that economic activity will continue at the same rate as FY 2011.

Mr. Haynes noted that expenses for FY 2012 are estimated to be \$900,000. Salaries account for 71%, internal services charges are 23%, leaving 6% for the entire operating budget. He listed the current building team staff and noted the entire division operates with 9-9.5 FTE. He reviewed the building team workload and track record. Over the past 14 years, 95% of customer service survey respondents have reported being satisfied with their experience. He noted the building team is a highly experienced and qualified team at minimal staffing levels, operating expenses are the bare minimum to complete the core mission, and internal service charges are beyond his control.

Mr. Haynes reported that over the past 15 years, permit fees have increased 8%, compared with a 57% increase in the average American salary (through 2009). The CIP has increased 42%, and other fund expenses (health insurance, gasoline, etc.) have doubled, tripled, or more.

Mr. Haynes reviewed fees in Montana. Comparing Missoula, Helena, the State of Montana, Kalispell, Billings, and Butte, Butte is the only city less expensive than Great Falls. He explained the building fund is an enterprise fund that does not rely on general fund dollars.

Mr. Haynes stated that the policy question before the Commission is should the building fund be subsidized with general fund dollars. The shortfall in FY 2011 and projected in FY 2012 is over \$200,000 each year.

The ICC has a formula designed to keep the building fund in equilibrium, but is retroactive so rates fluctuate from year to year. That option provides less certainty for the development community.

Mr. Haynes recommends an upward revision of the current rates. He believes that a 20% increase in rates and a doubling of plan review fees would be needed just to stabilize the fund. Permit fees for a \$150,000 home would be raised from approximately \$1,300 to \$1,700.

Mr. Haynes stated that two previous Commission Agenda Reports for permit fee increases recommended annual fee adjustments. He strongly suggested an annual typical inflation increase to provide certainty for the development community. He also suggested that when the fund balance exceeds a certain level, the annual fee increase would be waived that year.

Mr. Haynes requested the Commission provide direction on whether the building fund should remain where development pays for itself, or whether general fund dollars should be allocated which would mean either no increase or a small increase in fees. Based on the direction, the fee analysis will be completed and those findings will be presented to the development community and interested parties for public comment. At that time, a resolution will be brought before the Commission asking to establish new fees.

Mr. Haynes urged that time is of the essence. If changes are not made by the spring of 2012, the building fund will be close to zero.

Commissioner Jolley commended Mr. Haynes on a wonderful presentation and supported his recommendations.

Commissioner Burow expressed concern that a 20% increase may stifle construction and partial funding out of the general fund may be needed as smaller increment increases are implemented. Mr. Haynes believes that would be the preference of the development community. However, he doesn't believe development would be impacted significantly.

Commissioner Jones requested Mr. Haynes report back to the Commission after meeting with the community and contractors. There may be suggestions that can be pursued. He agreed that action must be taken soon.

Commissioner Bronson applauded the Planning and Community Development Department for their work. He noted that administration of codes and public safety issues are governmental functions that rely on fees. General fund revenues do not increase substantially every year. He supported a fee increase.

Mayor Winters agreed that a reasonable fee increase must be considered, though support from the general fund may also be necessary in the future. He also requested a report from the community.

Mr. Doyon commented the building fund has served as a buffer when there was a decline and has allowed the department to continue to function. He stated the general fund cannot support this fund. The general fund subsidizes too many other areas to take on a fund that should be self-sustaining. The key is to keep fees reasonable and competitive in this community as compared to other communities.

ADJOURN

There being no further discussion, Mayor Winters adjourned the work session of June 7, 2011, at 6:50 p.m.