

**JOURNAL OF JOINT WORK SESSION MEETING OF THE GREAT FALLS CITY
COMMISSION AND CASCADE COUNTY BOARD OF COMMISSIONERS
COURTHOUSE ANNEX, ROOM 111
FEBRUARY 28, 2011**

CALL TO ORDER: 8:00 a.m.

City Commissioners present: Michael J. Winters, Robert Jones and Bill Bronson. Cascade County Board of Commissioners present: Joe Briggs, Bill Salina and Jane Weber.

Legislators present: Carlie Boland, HD 23; Cleve Loney, HD 25; Mitch Tropila, SD 12; Trudi Schmidt, HD 22; Brian Hoven, HD 24; Jesse O'Hara, HD 18; and, Ed Buttrey, SD 13.

Also present were City Manager Greg Doyon, City Clerk Lisa Kunz and Public Works Director Jim Rearden.

Commissioners Briggs, Bronson and Weber reviewed and discussed the following bills with the legislators:

Issue	Bill	Position	Status / Bill Type	Narrative
Local Government Entitlement Program proposed reductions	HB 056 HB 317 HB 495	City and County oppose alterations in the current local government program and as such oppose these bills.	Each of the bills is still active in the House. Two have been heard but no action has been taken on any of the bills.	Periodic review of statutory appropriations is not inherently a bad thing, but it is important to understand the history and purpose of the statutory appropriation. In the case of the "Entitlement Program", it represents a simplification of the previous system of reimbursing cities and counties for the costs of being the state's tax collector and supplying court related services. Prior to the "Big Bill" which created the Entitlement Share, cities and counties retained a portion of some 16 or 17 different taxes that they collected for the state to act as reimbursement for these services. Since the "Big Bill" the entitlement share has been adjusted to reflect things such as the state assumption of the District Court and Public Defender system salaries. Cities and counties provide a great deal of service to State

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				government and need to be reimbursed for those efforts. We cannot avoid providing these mandated services, nor can we levy additional taxes to pay for them. Any reductions in these payments would transfer costs which should be borne by the state to the local jurisdiction. These reductions in funding will translate into a reduction in services traditionally supplied by local government to its citizens.
Issue	Bill	Position	Status	Narrative
Allow a five member county Tax appeal board	SB 248	Cascade County Supports	Currently in House Local Government. Has already passed the Senate	The bill would allow counties to add an additional two members to the local tax appeals board. Each hearing would still be conducted by three members but the additional two positions would allow greater flexibility in scheduling the hearings thus speeding the process for those citizens who have filed an appeal.
Unreimbursed property tax rate reductions.	HB 325 SB 372	As drafted this bill to eliminate class 8 business property taxes contains no language to reimburse local government for the lost revenue. As a result this would cause a tax shift onto other classes of property. The City and County have concerns over the consequences of these shifts.	Active in House Taxation as a Revenue Bill	The intent of the legislation is to reduce the cost of operations for companies by repealing the taxes placed on many types of equipment. The hope is that this would spur economic activity and create jobs in the private sector. The elimination of Class 8 property taxes would increase collections through the corporate income tax system as Class 8 taxes are currently able to be deducted. This would help offset the loss of revenue to the state but since local government receives no direct allocation of corporate income taxes the loss of class 8 property taxes at the local level would be made up by other tax payers. Local Governments are allowed under MCA-15-10-420 to increase the number of mills levied so that the amount of

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				taxes collected is equal the amount collected in prior years plus a small inflationary increase. The impact at the local level would be a shifting of tax burden to other classes of property including residential.
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Extend time frames to preserve historic right of way under environmental policy	HB 297	Cascade County supports	Active in Senate State Administration. Has already passed the House.	Many county roads in Montana cross state lands and in many cases no easement was ever perfected between the State and the County. The State has determined that they should be paid for these easements at current market rates following a survey being conducted. This represents a yet unknown but sizable cost to the counties. Legislation was previously passed creating a less costly manner for counties to acquire the right of ways if done prior to October of 2011. Unfortunately, the process used by the state to identify these easements has only recently been completed and the counties have not had time to confirm the status of the easements against their records. In many cases we are talking about roads that have been in existence in excess of 75 years, so the records are not always easily accessible. This bill extends the reduced cost method of obtaining the easements until October of 2015.
Provide for regulation of the medical marijuana industry to restrict all but legitimate medical use and provide tools for local government with clear	HB 019 HB 043 HB 068 HB 429 SB 154 SB 170 SB 193	Both the City and County support the concepts within these bills but recognize that the final bills dealing with the subject will likely incorporate elements of each of these. The primary	(S) Public Health – Passed (H) (S) Business – Passed (H) (H) Human Services (H) Human Services (S) Judiciary - Revenue (S) Judiciary - Revenue	The rapid growth in both the number of card holders and growers has caused a great deal of concern for local governments. Not only has it impacted the ability of police to enforce the medical marijuana laws themselves, but other drug laws as well. In addition the number of grow operations within housing units

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authority to regulate the use, production and sale of the drug.		elements needed by local government are the ability for law enforcement to be able to enforce the law effectively and to have the ability to regulate the locations of these businesses.	(S) Judiciary - Revenue	<p>has created concerns and problems for Fire and rescue personnel as well.</p> <p>A multi prong approach is necessary to remedy the problems with the current situation. 1) Greater control on the issuance of the medical marijuana cards so that only those with legitimate health needs can obtain them. 2) Licensure, regulation, and inspection of growers to ensure compliance with the new laws. 3) Requirement of taxes and/or fees on growers adequate to cover costs of regulation.</p> <p>If regulated using license fees rather than taxation, revenue projections are less than \$3 million. Taxation fees could supplement the \$3 million reduction to Aging Services proposed in HB 2.</p>

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Military Affected Area	LC 0866	Both the city and county are participants in a Joint Land Use Study currently underway with Malmstrom. This legislation is an outgrowth of those efforts and is supported by both the city and county.	This bill was classified as a revenue bill and as such was not affected by transmittal. It is currently being drafted.	<p>The missile field which Malmstrom AFB supports covers part of nine counties and some 23,500 square miles and yet, unlike most states, Montana does not have a land use statute designed to address the issues that can arise with military activity. These sorts of land use issues can only be handled through zoning regulations. Setting up zoning is an expensive and laborious process that most of the counties included in the Missile field do not need.</p> <p>They do need a simple set of tools to deal specifically with the issues created by the Missile field. This bill is designed to give these counties the ability to control land use around the specific military assets in their area should they choose to do so. The language only grants the authority it does not require</p>

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				the use of the powers.
Define Spot Zoning	SB 383	Cascade County Supports	This bill was heard by Senate Tax and by rule is therefore treated as a Revenue Bill. It is awaiting 2 nd reading in the Senate.	<p>This bill which was requested by Cascade County and supported by MACO seeks to codify the definition of "Spot Zoning". The term "Spot Zoning" has never been defined by a legislative body; it is a construct of the legal system.</p> <p>In Montana the definition used by the courts is based on the <i>Little</i> case and has three conditions that all need to be met in order for the court to deem a zoning action to be "Spot Zoning". The bill takes the three legs of the <i>Little</i> case and codifies them in the section of Law dealing with zoning. The second part of the bill states that if the local governing body has reviewed the zoning or rezoning action and found it to be in substantial compliance that the action cannot be deemed "spot zoning".</p> <p>We believe that codification of the <i>Little</i> case is important so that all zoning actions are appropriately tested for "spot zoning" but we also believe it to be imperative that the test is done relative to the desires and current regulations of the local jurisdiction. We believe that local citizen control via the publically created and vetted growth policy needs to be the benchmark against which zoning is measured rather than being decided by a judge or justices located outside of the local area.</p>
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Exempt the 95 State Mills from Tax Increment Financing Districts.		Cascade County and the City both oppose any efforts to remove the state wide mills from capture in tax increment financing.	Currently, no bills have been introduced to exempt the 95 mills but several TIF bills are	Tax Increment Financing allows a local government to expand its tax base by expending funds to build infrastructure to facilitate a new or expanding business. When the district is created a

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		We are joined in our opposition by both the League of City and Towns and MACO.	active and could be amended to include this aspect.	value for all of the property within the district is established as a baseline. Taxes from that baseline continue to flow to the State and local taxing jurisdictions. Additional taxes created because of the new infrastructure and increased property values that result go to the local government who made the investment to pay off the debt incurred. Exempting the 95 statewide mills from this capture would drastically reduce the ability to pay back the debt and would therefore limit the size of the investment that could be made.
Generally revise Tax Increment Financing	SB 358	Cascade County and the City as well as MACO and the League of Cities and Towns support this legislation.	Assigned to Senate Taxation awaiting hearing on March 4	<p>Under current law both cities and counties can create three different types of Tax Increment Financing Districts each with different criteria and each requiring a different boundary which can not overlap.</p> <p>This means that instead of having a single TIF district into which all three types of eligible businesses can locate, we are currently required to have three different districts. This creates confusion as well as requiring redundant infrastructure.</p> <p>One of the key elements of SB 358 is to create a new type of TIF that replaces the three currently found in law. Businesses would still have to be qualified under the same rules as under current law, but they could all be located within the same geographic boundary and share infrastructure.</p> <p>The other key element of the bill is that it allows counties to make use of Urban renewal districts just as a city or town can under current law. Currently, this tool is available only to cities and</p>

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				<p>towns despite the fact that urban renewal issues are common in areas adjacent to cities throughout Montana as well as in larger non incorporated subdivisions such as Black Eagle, Sun Prairie, Vaughn, Simms, Fort Shaw and other areas of Cascade County.</p> <p>Some House bills recently introduced (HB 560, 561, 562, and 564) seek to amend various provisions of the state's urban renewal district statutes. Every effort must be made to ensure that these bills, if passed, are coordinated with SB 358 so as not to unintentionally nullify the desired tax increment financing reforms.</p>
General Appropriations Act - Reductions in the Aging Services Program	HB 02	<p>Cascade County opposes the \$3 million statewide reduction that affects the Aging Services Program.</p> <hr/> <p><i>NOTE: Aging Services of Cascade County's Aging assists neighboring counties:</i> <u>Medicaid-Waiver</u> Program serves Area III (7 counties - Glacier, Teton, Pondera, Toole, Liberty, Choteau and Blaine); Area VIII (Cascade) and Area X (Hill County) The Medicaid Waiver program has a total of 105 clients: Area III – 18 clients Area VIII – 54 clients Area X – 33 clients This program is designed to keep seniors in their homes through managed services and managed health care providers, rather than Long Term</p>	<p>Passed by the Joint Appropriations Subcommittee on Health and Human Services and moved to the House Appropriations Committee</p>	<p>Cascade County is one of three counties (Flathead & Hill) under contract with DPHHS to provide Aging Services programs. Cascade County's program is cost-effective, in that it does not charge the DPHHS grant for indirect services such as: HR, legal, computer support and administrative costs are kept to a minimum. Elimination of ARRA funds from DPHHS budget results in \$190,000 annual reduction in Cascade County's Senior Nutrition Program and results in the following impacts:</p> <p><u>Home-delivered Meals</u></p> <ul style="list-style-type: none"> Reduction of 25,000 meals/year from the Meals-on-Wheels Program for seniors. Cascade County Senior Nutrition program prepares and delivers 320+ meals/day. <p><u>Congregate Meals at Senior Centers</u></p> <ul style="list-style-type: none"> Reduction of 6,250 congregate meals/year served at the six Senior

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		<p><i>Care Facilities</i></p> <p><i><u>Commodities</u> serves 7 counties (Cascade, Glacier, Teton, Pondera, Toole, Liberty, and Choteau) to 1100 low-income clients</i></p>		<p>Centers</p> <p><u>Senior Center Reductions</u></p> <ul style="list-style-type: none"> • Great Falls – decrease \$800/month, loss f ½ FTE • Centerville – decrease \$150/month, loss ¼ FTE • Monarch Neihart – decrease \$75/mo, loss ¼ FTE • Sun River – decrease \$125/month, loss ¼ FTE • Cascade – decrease \$125/month, loss ¼ FTE • Belt – decrease \$200/month, loss ½ FTE <p><u>Area VII/CCAS Senior Nutrition Operations</u></p> <p>Replacement cycle for equipment (2-6 years) would be extended or equipment not replaced at all. Expense for repairs would increase.</p> <p><u>Medicaid Waiver Program</u></p> <ul style="list-style-type: none"> • Some funds restored, but not completely • Concern for Governor's proposal to pilot a five-county project for a single provider to administer the Medicaid program. A RFP is pending. While consolidation of this service may appear to bring cost-savings, the level of services and continuum of care is questioned.
General Appropriations Act - Reductions in the City-County Health Department	HB 2	The city and county oppose the statewide reductions that affect Family Health Services, Prevention Services and the Community Health Care Centers	Passed by the Joint Appropriations Subcommittee on Health and Human Services and moved to the House Appropriations Committee	<p>The funding reductions affect the following city-county health department programs:</p> <p><u>WIC (Women, Infants and Children)</u></p> <p>Currently serving over 1800 clients monthly through the Supplemental Nutrition Program. WIC provides nutritious foods, education and referrals to health and social services supporting working families.</p> <p><u>MCH (Maternal and Child Health)</u></p>

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				<p>Assistance to working families on family planning.</p> <p><u>Tobacco Use Prevention</u> Currently projecting a \$173,040 loss in the biennium budget. Tobacco use is the leading cause of preventable deaths in the nation and Montana (1400 deaths and \$277 million in healthcare costs annually). In Cascade County, 1018 tobacco related- deaths occurred from 2004-2009. The MT Tobacco Use Prevention Program has been effective – from 200-2010, there has been more than a 45% reduction in the youth smoking rate and more than a 23% reduction in adult smoking from 1998-2009. More than 4800 Cascade County residents have called the <i>Quit Line</i> in the last six years.</p> <p><u>Community Health Care Center</u> Federal funds for electronic health records technology. Health Centers are required to implement the electronic health records by 2014. The city-county will need to fund \$286,875 to meet this requirement.</p>

Representative Schmidt expressed appreciation for the opportunity to hear the perspectives of City and County representatives.

Representative O'Hara noted that emphasis is on revenue during the last half of the legislative session.

The legislators requested that Commissioner Weber email the City/County legislative update handout to them.

ADJOURN

There being no further discussion, Commissioner Weber adjourned the joint work session meeting of February 28, 2011 at 9:20 a.m.