

JOURNAL OF COMMISSION WORK SESSION
November 18, 2008

City Commission Work Session

Mayor Pro Tempore Bronson presiding

CALL TO ORDER: 5:30 p.m.

ROLL CALL: City Commissioners present: Mayor Pro Tempore Bronson, John Rosenbaum, Mary Jolley and Bill Beecher. Mayor Stebbins was excused. Also present were the City Manager, Assistant City Manager, Directors of Fiscal Services, Community Development, Library, Park and Recreation, Planning and Public Works, the City Attorney, Fire Marshal, Police Chief, and the City Clerk.

1. RATE COMPARISON – ELECTRIC CITY POWER, NORTHWESTERN ENERGY, SOUTHERN MONTANA ELECTRIC

Fiscal Services Director Coleen Balzarini presented a PowerPoint rate comparison between Electric City Power, NorthWestern Energy and Southern Montana Electric. She provided an introduction that the City and Electric City Power have been receiving electricity from SME since 2004. At this point, the City has over 600 meters that it reads every month. In order to make some of the comparisons, she explained that it was necessary to compile all of the meter reads electronically submitted by NorthWestern Energy into one database file to look at by customer, month, year, fiscal year, and calendar year. In reviewing the comparisons, the amount of money the City has paid to Southern Montana is an actual expense. Those rates were then applied to the actual consumption of the customers. The other two comparisons are NorthWestern Energy's rates each month for the period 2004-2008 and applying a number of different rates. There are some estimates because the meter reads don't always come in from the first to the thirtieth each month. The same issue arises with Electric City Power's estimates of revenues. There are different read dates, but the City applies the rates effective the first of each month.

The comparison being reviewed was Southern Montana's charges to Electric City Power, Electric City Power's collections from its customers, and what those customers would have paid if NorthWestern Energy was their energy provider. The result was SME charged the City \$23.75 million, compared with the \$23.6 million NorthWestern would have charged. The City's rates remain lower than NorthWestern's due, in part, because the 2007 legislature restricted the City's ability to gain new customers under 5 megawatts. However, the City's contracts with its customers contain graduated rate increases to eventually cover the deficit fund balance.

2. YOUTH COUNCIL

Program Coordinator Libby McConnell presented a PowerPoint explaining what the Youth Council will be. The Youth Council will provide youth leadership and ideas and projects for the city and specific neighborhoods. For the first year, the Youth Council will receive Weed & Seed money for projects specific to the north side. Ms. McConnell reviewed several myths about

teenagers and stated that youth are an asset, not a liability to a community. A Youth Council would be unique to Great Falls. She concluded that if young people are involved in the decisions that govern their lives and are invested in the community, they are more likely to stay in Great Falls or return after completing higher education.

3. SANITATION RATES

Public Works Director Jim Rearden also provided a PowerPoint presentation on sanitation services and proposed rate adjustments at the Citizen's Convenience Center. Mr. Rearden discussed the purpose and users of the facility. He explained the financial trends and reported that passage of the rate adjustment resolution would provide additional annual revenue of \$25,000 to \$30,000 at the same usage.

ADJOURN

There being no further discussion, Mayor Pro Tempore Bronson adjourned the work session of November 18, 2008, at 6:48 p.m.