

**JOURNAL OF COMMISSION WORK SESSION**  
**August 19, 2008**

City Commission Work Session

Mayor Stebbins presiding

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

**ROLL CALL:** City Commissioners present: Dona Stebbins, John Rosenbaum, Bill Bronson, Bill Beecher and Mary Jolley. Also present were the City Manager, Assistant City Manager, Directors of Community Development, Planning, Fiscal Services, Library, Park and Recreation, Acting Director of Public Works, the City Attorney, Police Captain, and the City Clerk.

1. **URBAN RENEWAL TAX INCREMENT PROCESS – CHERYL PATTON**  
Assistant City Manager, Cheryl Patton, provided a PowerPoint presentation regarding the tax increment policy considerations and staff recommendations. She stated that not all staff agree with the recommendations. Ms. Patton explained that tax increments result from new tax dollars being captured for public improvements after base value of the district has been established, and explained the different districts, i.e. urban renewal, industrial, technology and aerospace transportation. Currently, the City does not have a policy established to address requests from private sector developers for tax increment financial assistance by grant or loan. Ms. Patton explained staff suggestions for implementing policy, process and application, as well as the pros and cons for each. Staff used and made changes to the Missoula Redevelopment Agency's forms for Commission consideration. Ms. Patton responded to questions regarding TIF's, the Missoula policy, and staff discussions. To show the changes made to the Missoula forms, it was determined that the changes would be highlighted.
  
2. **ENERGY SUPPLY PAYMENT PROCESS TO SOUTHERN MONTANA ELECTRIC GENERATION AND TRANSMISSION – COLEEN BALZARINI**  
Fiscal Services Director, Coleen Balzarini, provided a PowerPoint presentation explaining fund terminology and fund accounting, as well as interfund borrowings and transfers. Ms. Balzarini explained the reporting requirements and auditing procedures of local and state agencies, and the fact that the City of Great Falls has received the Distinguished Budget Award for the past 17 years, and CAFR Awards for the past 14 years.

Ms. Balzarini explained the energy payments to SME are a result of a contractual obligation approved by the City Commission. The payments are recorded as an interfund borrowing, and listed as an asset and liability entry between the General Fund and the ECP Fund. She responded to questions regarding the projected

deficit of the ECP fund, the rate increases built into the contracts, stabilized customer base, imbalance market increases, and the anticipation that the ECP fund will have a positive balance by the year 2011.

**ADJOURN**

There being no further discussion, Mayor Stebbins adjourned the work session of August 19, 2008, at 6:30 p.m.