

**JOURNAL OF COMMISSION WORK SESSION**  
**June 7, 2022**

City Commission Work Session  
Civic Center, Gibson Room 212

Mayor Kelly presiding

**CALL TO ORDER: 5:30 PM**

**CITY COMMISSION MEMBERS PRESENT:** Bob Kelly, Susan Wolff, Joe McKenney, Eric Hinebauch, and Rick Tryon.

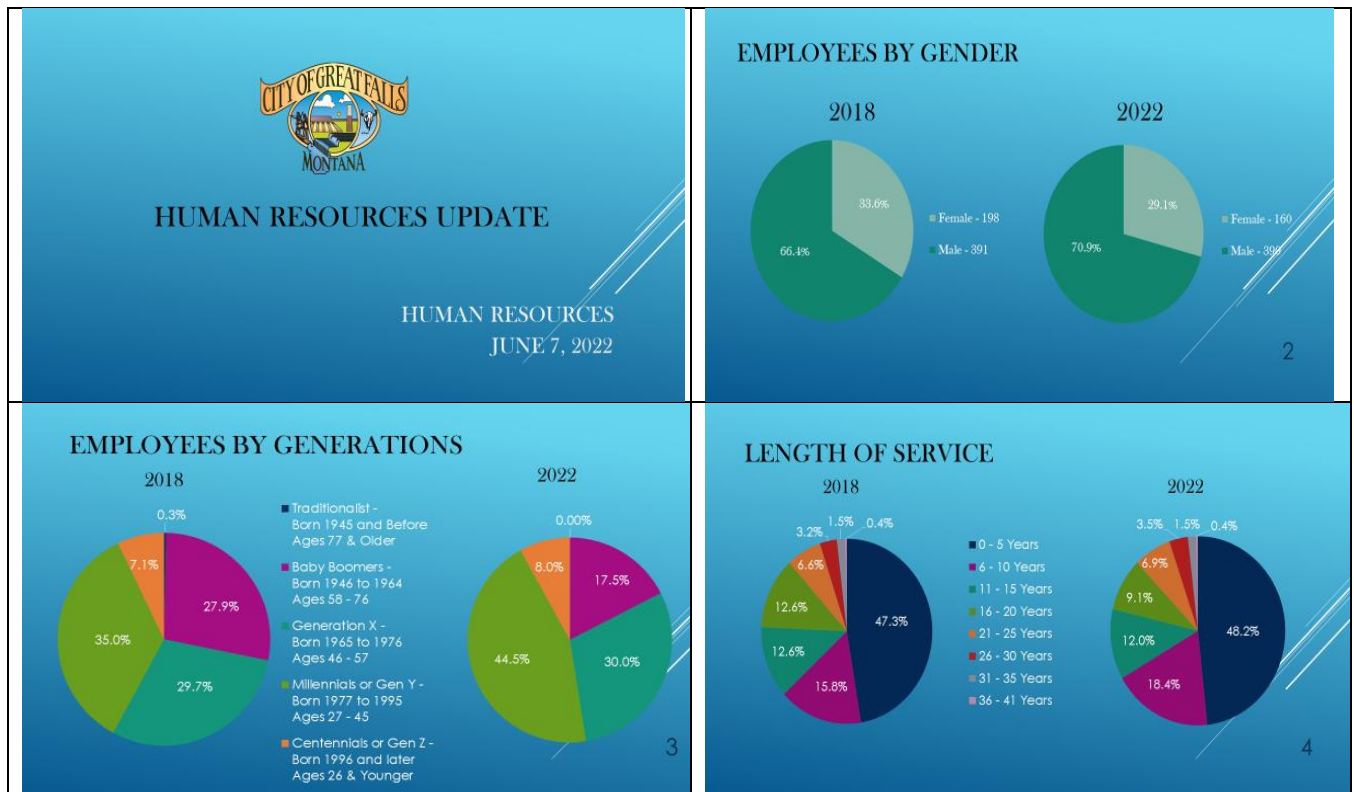
**STAFF PRESENT:** City Manager Greg Doyon; City Attorney Jeff Hindoien and Deputy Attorney David Dennis; Human Resources Director Gaye McInerney; Finance Director Melissa Kinzler and Grant Administrator Tom Hazen; Municipal Court Judge Steve Bolstad and Court Supervisor Morgan Medvec; Fire Chief Jeremy Jones; Police Chief Jeff Newton; and, Deputy City Clerk Darcy Dea.

**PUBLIC COMMENT**

**Kevin Westie**, 602 35<sup>th</sup> Street North, related the use of Tax Increment Financing (TIF) to breaching the trust in government due to people committing crimes in the City, and expressed concern with regard to the amount of time that City staff spends working on TIF's instead of public safety issues.

**1. HUMAN RESOURCES UPDATE – HIRING AND RETENTION.**

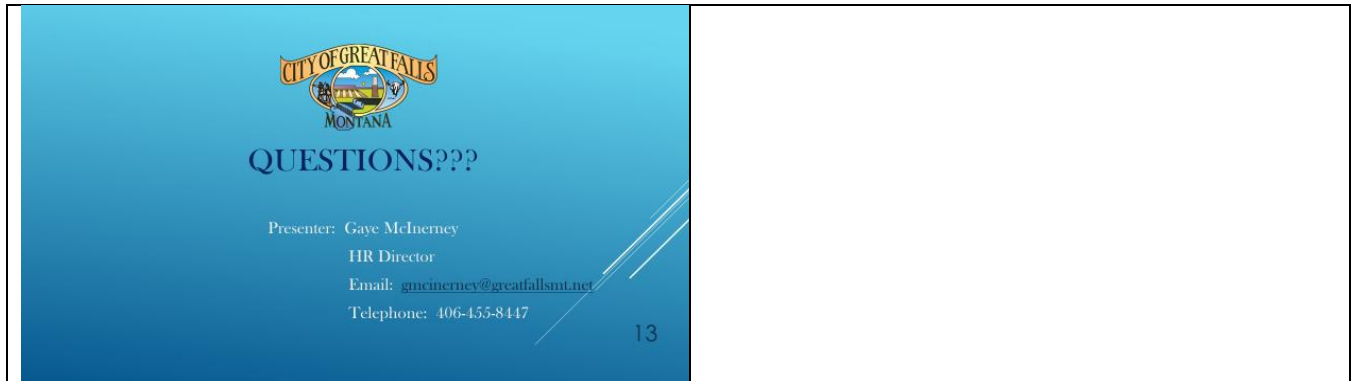
Human Resources Director Gaye McInerney reviewed and discussed the following PowerPoint:



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<p><b>TURNOVER</b></p> <p>2017 - 7.7%</p> <p>2022 to date - 4.6%</p> <p>5</p>	<p><b>CURRENT CHALLENGES TO RECRUITMENT &amp; RETENTION</b></p> <ul style="list-style-type: none"> <li>➢ The Great Resignation</li> <li>➢ April 2022 Unemployment Rates             <ul style="list-style-type: none"> <li>▪ Montana - 2.3%</li> <li>▪ Great Falls - 2.7%</li> </ul> </li> <li>➢ Degrees of availability and interest in the candidate pool</li> <li>➢ Limitations of the public sector to compete with private sector organizations</li> <li>➢ “One size fits all” - Not true today</li> <li>➢ Challenged in employment offerings to candidates</li> </ul> <p>6</p>
<p><b>APPLICANT &amp; EMPLOYEE PERSPECTIVE</b></p> <p>➢ Why do you want to work for the City of Great Falls?</p> <ul style="list-style-type: none"> <li>▪ Good Benefits</li> <li>▪ Job Stability</li> <li>▪ Work Schedule</li> </ul> <p>➢ Candidates want flexibility</p> <p>7</p>	<p><b>LOCAL GOVERNMENT RECRUITMENT &amp; RETENTION TODAY</b></p> <ul style="list-style-type: none"> <li>➢ Identifying the “competition” based on position/job classification</li> <li>➢ Determining City’s advantages</li> <li>➢ Understanding employees’ needs and desires</li> <li>➢ Conducting six and twelve-month check-in interviews after onboarding in addition to Exit Feedback Forms</li> <li>➢ Obtaining current, independent data to support salary compensation and benefits decisions</li> </ul> <p>Bottom Line: The City can’t keep doing things the way we always have and expect to have a competitive edge in attracting and retaining employees.</p> <p>8</p>
<p><b>ONGOING CHALLENGES</b></p> <ul style="list-style-type: none"> <li>➢ City’s workforce is 75% union members and 25% non-union employees             <ul style="list-style-type: none"> <li>▪ Commission sets the rates of pay for union members</li> </ul> </li> <li>➢ Infrequent Wage/Classification Studies             <ul style="list-style-type: none"> <li>▪ Wages driven by compression/recruitments/labor negotiations</li> </ul> </li> <li>➢ Public perception of public sector compensation</li> <li>➢ Proposing study for FY2023 ahead of labor negotiations</li> </ul> <p>9</p>	<p><b>NON-UNION COMPENSATION HISTORY</b></p> <ul style="list-style-type: none"> <li>➢ Last salary survey completed in 2000</li> <li>➢ In 2019, the City adopted a performance-based management compensation program for non-union employees</li> <li>➢ In October 2021, completed a salary survey for 109 non-union job positions             <ul style="list-style-type: none"> <li>▪ There was market competitiveness (within +/- 5%) for 49% of the salary survey benchmark job classifications.</li> <li>▪ 51% of the jobs were not market competitive (more than -5% below) the salary survey benchmark job classifications.</li> </ul> </li> </ul> <p>10</p>
<p><b>ACTION STEPS TAKEN BASED ON SURVEY RECOMMENDATIONS</b></p> <ul style="list-style-type: none"> <li>➢ Adopted proposed range assignments for all positions</li> <li>➢ Adopted the Open Range Salary Schedule with 5% between midpoints of successive ranges and a 35% range width</li> <li>➢ Implemented salary adjustments for a total impact of 1% of the Personal budget</li> <li>➢ Every two years, will update the Salary Plan by reallocating job classifications to appropriate salary grades reflecting the prevailing rate movement of each position in the marketplace</li> </ul> <p>11</p>	<p><b>CITY EFFORTS, SO FAR AND MOVING AHEAD</b></p> <ul style="list-style-type: none"> <li>➢ Marketing Strategy</li> <li>➢ Wage and Classification Updates</li> <li>➢ Merit Based Pay for Performance (non-union)</li> <li>➢ Self-Insured Medical Plan Transition (85/15 split)</li> <li>➢ Voluntary Benefit Offerings (AD&amp;D, Short/Long-Term Disability, Life)</li> <li>➢ Remote Work Option (for appropriate positions)</li> <li>➢ Workplace Culture (City/department)</li> <li>➢ Employee Communication</li> </ul> <p>➢ Ultimate goal is to attract qualified people, motivate them to perform at the best of their competencies, abilities and skills AND retain key talent by rewarding high-performing employees.</p> <p>12</p>

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Commissioner McKenney received clarification that HR Recruiter Linda Malisani’s main focus is recruitment efforts.

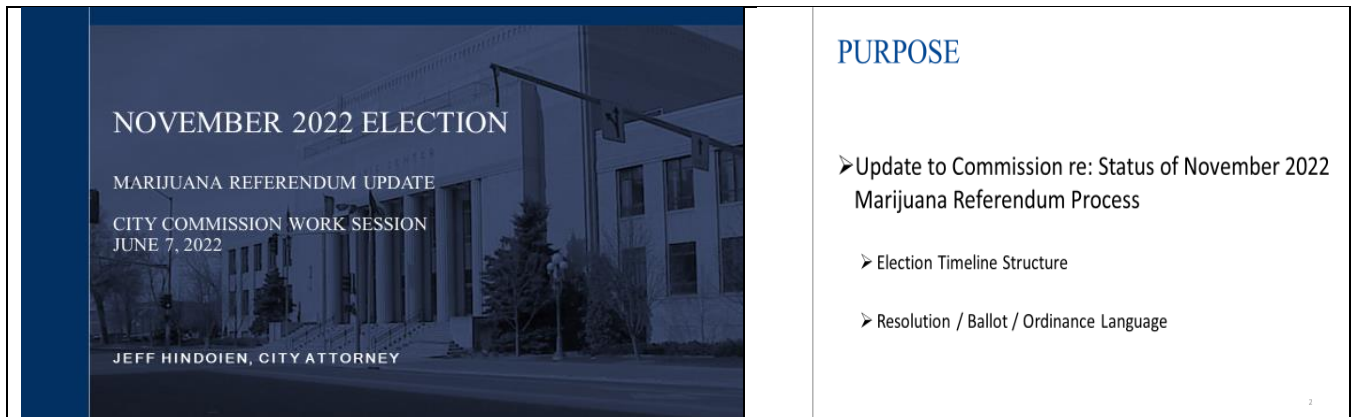
Commissioner Wolff received clarification the Internal Revenue Service (IRS) requires the City to provide benefits to all full time employees, even if they may not want them, because of the on-base retirement component.

Commissioner Tryon received clarification that salary survey benchmark job classifications included feedback from 22 municipalities in Washington, Oregon, Idaho, Wyoming, North Dakota, South Dakota and Montana. He further received clarification that external factors could determine the impact on the Personal budget for future wage and classification updates.

Mayor Kelly received clarification that seasonal employees are classified as short-term workers and not eligible for benefits.

**2. NOVEMBER 2022 MARIJUANA BALLOT REFERENDUM STRUCTURE/LANGUAGE.**

City Attorney Jeff Hindoien reviewed and discussed the following PowerPoint:



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## June 7, 2022

### MARIJUANA REFERENDUM – BASIC TIMELINE

MARIJUANA REFERENDUM		
	Deadline	Item Due
CCM	June 7, 2022	Work Session re: Referendum Structure/Language
CCM	July 5, 2022	Work Session re: Resolution / Ordinance / Ballot Language
CCM	July 19, 2022	Action on Resolution to Submit Ordinance to Voters at Election to be held on November 8, 2022
	November 8, 2022	Election Day

### MARIJUANA BUSINESS CATEGORIES

- Medical Marijuana Dispensary
- Adult-Use Marijuana Dispensary
- Cultivator
- Manufacturer
- Combined-Use (Tribal Licenses)
- Testing Laboratory
- Transporter Facility

### PROPOSED ORDINANCE LANGUAGE FOR REFERRAL TO VOTERS

**17.20.3.070 Prohibited land uses.**  
 No use of land shall be permitted by right or conditionally permitted within the City of Great Falls that is in violation of federal, state or local law. This prohibition includes, but is not limited to, any use of land for the marijuana business categories otherwise authorized by Montana Code Annotated, Title 16, Chapter 12, Parts 1 through 5 and Admin. R. Mont. §§ 42-39-401 et seq.  
 (Ord. No. \_\_\_\_\_ [2022]; Ord. No. 3054, § 1, 6-1-2010)

### PROPOSED BALLOT LANGUAGE

**FORM OF BALLOT:** The form of the ballot shall be as provided by law and as follows:

**Summary:** Initiative Measure I-190 (I-190) was approved by the electors of the State of Montana (including the electors of Cascade County and the City of Great Falls) in the November 2020 General Election, legalizing possession and use of limited amounts of marijuana by adults over the age of 21 and legalizing certain commercial marijuana business categories. The Montana Legislature subsequently modified various portions of I-190 to create a different legal structure to allow for and regulate marijuana business activities relating to adult-use and medical marijuana. This ballot measure asks voters to approve or disapprove an amendment to the Official Code of the City of Great Falls that would specifically prohibit all of the forms of marijuana business categories otherwise authorized under Montana law from operating within the City of Great Falls. The use and possession of marijuana by adults over the age of 21 as now authorized by Montana law will not be impacted by this vote.

### PROPOSED BALLOT QUESTION

**Proposal:** The City Commission of the City of Great Falls has proposed an amendment to the Official Code of the City of Great Falls to specifically prohibit all types of marijuana business categories from operating within the City of Great Falls. These business categories include marijuana dispensaries (adult-use and medical), combined-use, cultivation and manufacturing activities, testing laboratories and marijuana transportation facilities.

**FOR** amending the Official Code of the City of Great Falls to specifically prohibit all types of commercial marijuana business categories from operating within the City of Great Falls.

**AGAINST** amending the Official Code of the City of Great Falls to specifically prohibit all types of commercial marijuana business categories from operating within the City of Great Falls.

### ALTERNATIVE REGULATORY FRAMEWORK

- **INDEPENDENT OF REFERENDUM VOTE,** City staff will be developing a regulatory framework for the City Commission to adopt that **ALLOWS** the commercial marijuana business categories to operate within the City of Great Falls
- This framework will become effective in the event that the specific ban ordinance amendment is **REJECTED** by the electors in November
- Proposals for this framework will be brought forward for City Commission review and discussion at one or more Work Sessions to be conducted in the August / September timeframe

### ALTERNATIVE REGULATORY FRAMEWORK

- **BASIC CONCEPTS FOR CONSIDERATION RE: REGULATORY FRAMEWORK**
  - Allow all business categories in certain specific zoning districts as a matter of right or with CUP process (i.e., all seven categories in I-1 and/or I-2)
  - Special Standards similar to Casino/Bar (i.e., distance buffers from schools, etc.)
  - Distinguish between business categories relative to existing zoning districts, i.e., certain uses allowed only in certain districts (dispensaries in certain districts [commercial], cultivation/manufacturing in certain districts [industrial])
  - Creation of new zoning district structure and/or overlay district structures
  - Separate licensure requirements? – possible limits on numbers of licenses / lottery system



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City Attorney Hindoien explained that there was mention of a citizen-initiated petition for a countywide election to ban all marijuana activities. If the citizen-initiated petition were to get on the ballot, the City ballot could become meaningless. He mentioned that Yellowstone County voted for a reversal of the I-190 vote for all marijuana activities under a structure that was initiated by the County Commission and was declared by the county not to be legally authorized.

Commissioner Hinebauch received clarification that the City would not receive tax benefits of the sales from marijuana businesses, and the County Commission has indicated that it would not refer the excise tax vote to the electorate.

Commissioner Tryon received clarification that the proposed ordinance language would not be added to the proposed ballot, and that the City would have a fair amount of discretion with regard to a regulatory framework for commercial marijuana business categories to operate within the City.

### **DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS**

City Manager Greg Doyon reported that the 2023 Budget will be a topic on the June 21, 2022 work session and tentative Budget Special Work Sessions are scheduled for June 28 and 29, 2022.

Commissioner McKenney requested that City Manager Doyon's performance review be added to an upcoming agenda.

**ADJOURN**

There being no further discussion, Mayor Kelly adjourned the informal work session of June 7, 2022 at 6:46 p.m.