

JOURNAL OF COMMISSION PROCEEDINGS

July 19, 2022

Regular City Commission Meeting

Mayor Kelly presiding

CALL TO ORDER: 7:00 PM

Commission Chambers Room 206

PLEDGE OF ALLEGIANCE

ROLL CALL/STAFF INTRODUCTIONS: City Commission members present: Bob Kelly, Eric Hinebauch, Joe McKenney, Rick Tryon and Susan Wolff. Also present were City Manager Greg Doyon and Deputy City Manager Chuck Anderson; Public Works Engineer Russell Brewer; Planning and Community Development Director Craig Raymond; Finance Director Melissa Kinzler; City Attorney Jeff Hindoien and Deputy City Attorney David Dennis; Police Chief Jeff Newton; and, City Clerk Lisa Kunz.

AGENDA APPROVAL: There were no proposed changes to the agenda by the City Manager or City Commission. The agenda was approved as presented.

CONFLICT DISCLOSURE/EX PARTE COMMUNICATIONS: None.

COMMUNITY INITIATIVES

1. COMMUNITY HEALTH UPDATE FROM CITY-COUNTY HEALTH OFFICER – ABIGAIL HILL.

City-County Health Officer Abigail Hill introduced herself, discussed her background and passion for public health, and provided the following updates:

- As of last week, there were 298 active Covid-19 cases in Cascade County and 2 deaths. The community level is high and is based off hospitalizations. The current positivity rate is 54% compared to the previous high in February at 32.4%. Masking is recommended indoors.
- Free testing is no longer offered. Free rapid home test kits are available at the City-County Health Department.
- Staff will be trained on a new Polymerase Chain Reaction (PCR) machine to offer to people traveling over the border or abroad.
- Moderna and Pfizer vaccines are available to children under five years of age.
- The Health Department is busy with food vendor inspections for the upcoming fair and MANG's open house, planning for back to school sports physicals, and flu shot clinics.
- The Health Department is a distributor for the opioid antidote Narcan, and will train organizations or individuals on how to use the nasal spray that can help prevent opioid overdoses.

2.

PETITIONS AND COMMUNICATIONS

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John Hubbard, City resident, discussed national news events. He suggested the first quarter revenue generated from marijuana be utilized instead of raising taxes.

Representative Lola Sheldon Galloway, business owner by the First United Methodist Church encampment, would like to see showers provided for the unhoused so they do not use the bathrooms at her business. She shared that she recently took a bus trip to Pocatello and overheard many conversations from people with one way tickets to Great Falls because they heard about the tent city and knew they would be taken care of. She suggested the City work for the citizenry and not attract people from other areas to take care of.

Jeni Dodd, City resident, inquired why the City-County Health Department wasn't trying to do anything about the public health issue of public urinating and defecating going on at the First United Methodist Church encampment.

NEIGHBORHOOD COUNCILS

3. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

None.

BOARDS AND COMMISSIONS

4. REAPPOINTMENTS TO THE HOUSING AUTHORITY BOARD OF COMMISSIONERS.

Mayor Kelly reported that at its June 23, 2022 meeting, the Housing Authority Board recommended appointing Mr. Blake for his first full five-year term and Mr. LaPree for his first full two-year term.

Commissioner Wolff moved, seconded by Commissioner Tryon, that the City Commission reappoint Rodney Blake for a five-year term through June 30, 2027 and reappoint Lyle LaPree as a Tenant Member for a two-year term through June 30, 2024 to the Great Falls Housing Authority Board of Commissioners.

Mayor Kelly asked if there were any comments from the public or discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0.

5. REAPPOINTMENT TO THE LIBRARY BOARD.

Mayor Kelly reported that at its June 28, 2022 meeting, the Library Board recommended reappointing Ms. Olson.

Commissioner McKenney moved, seconded by Commissioner Wolff, that the City Commission reappoint Whitney Olson to the Library Board for a five-year term through June 30, 2027.

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Mayor Kelly asked if there were any comments from the public or discussion amongst the Commissioners.

As ex-officio member of the Library Board, Commissioner Wolff commented that Ms. Olson does an excellent job and has witnessed her passion for the work at the Library.

Mayor Kelly called for the vote.

Motion carried 5-0.

6. **RESOLUTION 10470, DECLARING THAT THE ADVISORY COMMISSION ON INTERNATIONAL RELATIONSHIPS (ACIR) MEMBER TERMS BE TOLLED FOR THE PERIOD OF DECEMBER 7, 2019 TO MAY 25, 2022; AND APPOINT NEW MEMBERS TO THE ADVISORY COMMISSION ON INTERNATIONAL RELATIONSHIPS.**

Mayor Kelly reported that meetings, travel and international exchanges of ACIR were put on hold during the Covid-19 pandemic. Several members' terms have expired since ACIR's last meeting held on December 6, 2019.

ACIR will be hosting a delegation of senior judges and attorneys from North Macedonia September 9-17, 2022.

Commissioner Tryon moved, seconded by Commissioner Hinebauch, that the City Commission adopt Resolution 10470, tolling the period of December 7, 2019 to May 25, 2022 and extending the terms for existing members of the Advisory Commission on International Relationships for a period of 30 months.

Mayor Kelly asked if there were any comments from the public or discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0.

Commissioner Wolff moved, seconded by Commissioner Hinebauch, that the City Commission appoint Sandra Erickson, Kay Silk, Dr. Paul Eidson, and Susan Supola to the Advisory Commission on International Relationships for three-year terms through March 31, 2025.

Mayor Kelly asked if there were any comments from the public or discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0.

7. **MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

None.

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CITY MANAGER

8. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

City Manager Greg Doyon announced the following:

- Flight Over the Falls Air Show is scheduled July 23-24, 2022 in conjunction with Montana's Military Open House hosted by MAFB 341 Missile Wing and MANG 120th Airlift Wing. The City will open and staff the Emergency Operations Center for a public safety presence during the event.
- Neighborhood Council 8 is hosting an Ice Cream Social July 21, 2022 from 6:00-8:00 pm at Memorial Park.

With regard to the First United Methodist Church, Police Chief Jeff Newton and City Attorney Jeff Hindoien provided the following updates:

- Beginning January 1, 2022, the Great Falls Police Department (GFPD) responded to 164 calls for service that included 22 custodial arrests; 71 citations were issued [the bulk of which included open containers, disorderly conduct, obstructing and resisting arrest that includes assaults on peace officers; and other criminal activity.
- The Directed Engagement Team is still working diligently with downtown and mental health businesses to offer services when available.
- The City filed a lawsuit in District Court against the First United Methodist Church (FUMC) in May seeking to enforce the City's zoning ordinance that prohibits campground-type use in that zoning district, and requested that the Court issue a declaration to permanently enjoin FUMC from such use. City Attorney Hindoien and FUMC counsel had conversations that FUMC could simply take its own steps to remove that condition on its property that would remove the need and basis for the lawsuit. No firm dates were provided by FUMC. The City caused the complaint to formally be served last week. In response to that, counsel had further conversations with FUMC leadership. FUMC counsel advised that, consistent with the earlier conversations, FUMC would agree to prohibit any tent or camping activities on the property with an effective date of August 1.

In the event the FUMC wants to run a true emergency shelter, which is a permitted use in that zoning district, FUMC will need to submit a Conditional Use Permit application.

Commissioner McKenney inquired if the tents being vacated by August 1st was a recommendation from the attorney to his client or has FUMC agreed to this.

City Attorney Hindoien responded that counsel indicated FUMC agreed to make that prohibition and implement it effective August 1st.

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Commissioner Tryon commented that obviously crime in that neighborhood and area has increased. He inquired the resources of GFPD in terms of dealing with the situation at the FUMC and surrounding neighborhood.

Police Chief Newton explained that, when officers and resources are sent to deal with that specific location, other areas of the City are not getting adequate attention.

Commissioner Tryon commented that he has been asked why the City is not fining the church \$500 per day for being in violation of the zoning ordinance. The City's hands have been tied in terms of taking any kind of enforcement action before obtaining a judgement from the court.

City Attorney Hindoiien agreed. The piece of the enforcement process is ultimately having a court ruling in the City's favor or directs FUMC to comply with the City's zoning ordinance. The City filed in District Court under State Code and Title 76 provisions regarding local government regulation of land use, which is an alternative pathway to seeking to enforce ordinances in Municipal Court that have the potential opportunity for the \$500 per day fine.

As discussed, that \$500 per day fine does not come until, or if at all, an entire municipal court trial process has been conducted. The action was filed in District Court because he thought it could be done more expediently.

Commissioner Tryon noted that some people have said the City is allowing the FUMC to be treated in a way their business would not be treated if in violation of a zoning ordinance.

City Attorney Hindoiien responded that is a fundamentally inaccurate observation. How the City has approached this issue, and certainly from the standpoint of staff trying to work through the CUP process and enforcement at the staff level, has been identical to how any other business or property owner was approached regarding a zoning violation.

If the August 1st deadline passes without FUMC living up to its promises and the City is still faced with the serious public health and safety issue, Commissioner Tryon commented that the public nuisance ordinance should also be considered.

If the August 1st deadline is not met, Commissioner Hinebauch inquired about the expected timeline for the civil case to move forward.

City Attorney Hindoiien responded that FUMC is already on the clock for responding to the Complaint. If the situation is not resolved by August 1st, FUMC will also have to respond to the City's request to the Court for a ruling and an order that the encampment be stopped.

In addition to all of that, the City is looking at options beyond just staying within that civil litigation pathway.

Commissioner Hinebauch inquired the expected timeline for the judge to make a ruling on that.

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In his experience, he thinks the judge will make a quick decision once the matter was fully briefed. It will still be a matter of weeks before the timelines run for FUMC to respond and the City to reply.

Commissioner Wolff pointed out there are unhoused people that are not living at the FUMC. The Police Department knows that they have a population that they need to serve all over the community.

Additionally, many entities across the community have been working very hard to identify other shelter opportunities. She pointed out that NeighborWorks has a plan for the Baatz supporting housing project, and the Great Falls Housing Authority is seeking more vouchers for supportive housing. It is hard for the unhoused people at FUMC to seek help for anything because if they leave their belongings are stolen. This is a very deep situation. The community, through the Continuum of Care and other entities, is working hard to provide some solutions to people who want solutions. There will be people who do not want solutions and they will find another place to go.

Mayor Kelly concluded that the City understands there is frustration in the community about the process. Homelessness is not something that is isolated to Great Falls. It is a problem throughout the entire country and dates back to the 60's.

As Commissioner Wolff alluded to, there is a group of agencies under the Continuum of Care that include Opportunities, Inc., Alluvian, Center for Mental Health, NeighborWorks, Rescue Mission, and other institutions. He suspects that once they get the news that those tent cities are to be taken down, there will be an added energy to the unhoused folks who do want housing to respond to the agencies that are there on a consistent basis.

Of the 30 that were surveyed a couple of weeks ago, 20 needed and wanted some help and 10 did not. They needed things like an address, Social Security number and an ID. Some people at FUMC are only there to deal, be with their friends, party, and intimidate others. However, there are other people at FUMC who genuinely are in need and the community has the resources to offer to them. It is a very sensitive community approach.

CONSENT AGENDA.

9. Minutes, July 5, 2022, City Commission Meeting.
10. Total Expenditures of \$5,090,035 for the period of June 16, 2022 through July 6, 2022, to include claims over \$25,000, in the amount of \$4,448,632.
11. Contracts List.

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12. Set a public hearing for August 2, 2022 on Resolution 10471, Referring Ordinance No. 3246, an Ordinance amending the Official Code of the City of Great Falls to specifically prohibit any Marijuana Businesses from operating in the City of Great Falls, to a vote of the people at an election to be held on November 8, 2022.
13. Set a public hearing for August 2, 2022 for Resolution 10473, Referring Ordinance 3245, An Ordinance providing that the Charter of the City of Great Falls be amended to allow for one or more Elected Municipal Court Judges to a vote of the people at an election to be held on November 8, 2022.
14. Set a public hearing for August 2, 2022 on Resolution 10474, Amending Planning and Community Development Engineering Fees.
15. Approve the annual water meter equipment purchases for Fiscal Year 2023 from Ferguson Enterprises, Inc. in an amount not to exceed \$230,000.

Commissioner Wolff moved, seconded by Commissioner Tryon, that the City Commission approve the Consent Agenda as presented.

Mayor Kelly asked if there were any comments from the public.

John Hubbard, City resident, referred to Item 12 and commented marijuana has already been voted on.

There being no one further to address the Commission, Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0.

PUBLIC HEARINGS

16. **CARTER COMMONS AFFORDABLE HOUSING PROPOSAL PUBLIC HEARING.**

Mayor Kelly declared the public hearing open and asked for presentation of the agenda report.

Tyler Currence, Housing Solutions, LLC, reviewed and discussed the proposed Carter Commons Affordable Senior Living Housing project. The goal of the presentation is to solicit comments from the Commission and public on this proposal to be forwarded with their application to the Board of Housing that funds these projects. The PowerPoint presentation included:

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CARTER COMMONS

Affordable Senior Living



Great Falls, Montana

Introduction

- Housing Solutions LLC
 - Formed in 2012
 - 9 Properties Completed & 1 Underway
 - 4 States
 - Idaho – Pocatello
 - Montana - Kalispell, Missoula, Glendive, Polson
 - North Dakota – Dickinson
 - Wyoming – Casper, Cody, Evanston
- Alex Burkhalter
 - 18 Years Experience
 - 22 Properties
 - 850 Apartment Homes
 - Idaho, Montana, North Dakota, Wyoming

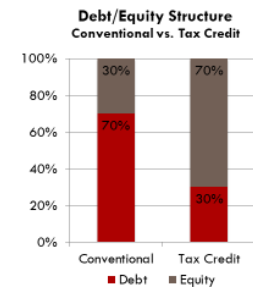


Senior Projects



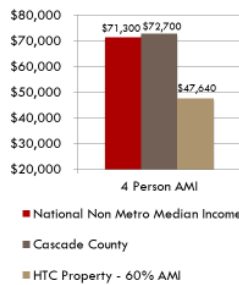
Housing Tax Credits

- Federal Program, enacted 1986
- 90% of New Affordable Rental Housing created with HTC's
- Administered by Individual States
- Success comes from Public/Private Partnership
- Assistance with Construction and Development Costs
 - By creating tax incentive for investors, equity is increased, and debt is lowered.
 - Lower debt servicing allows lower rents.
 - No rental or operating assistance



HTC's – Who Do They Serve?

- For Households at or below 60% AMI - Figures Published by HUD Annually
 - Cascade County Income Limit @ 60% AMI 4 people - \$47,640
 - Cascade County Income 100% AMI 4 People \$72,700
- Some units targeted deeper
 - 40% and 50%
- Typical resident is in entry level position
 - Retailers, Hotel's, Quick Service Food
- Elderly on fixed income



Montana Housing

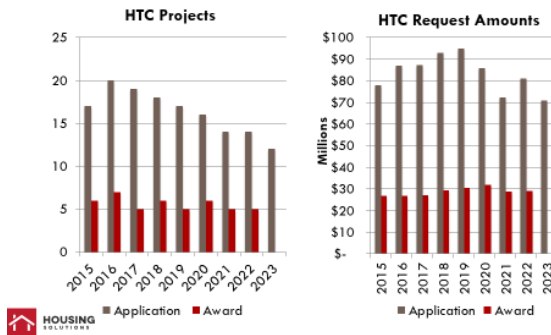
- State Agency (a division of the Department of Commerce) designated by the IRS to administer the the program
- 7-person board – appointed by Governor
- Monitors projects under development and throughout operations
- Enforcement of remedies against non-compliant projects
- Tasked with awarding the Housing Tax Credits annually
- Publish the Qualified Allocation Plan
- **Very strong demand for this valuable resource**



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Housing Tax Credits in Montana



2023 Round Letter's of Intent

Name	City	Units	Request
ANHA LHTC #2	Crow Agency	37	\$6,435,000
Valley Court Apts	Glasgow	12	\$3,490,000
Bigfork Senior Housing	Bigfork	24	\$3,594,600
Cherry Orchard	Kalispell	24	\$6,180,000
Cabinet Aff Housing	Libby	24	\$6,500,000
Meadowlark	Butte	30	\$6,500,000
Creekside Apts 9%	Missoula	40	\$5,750,000
Sage Grouse Homes	Missoula	26	\$6,500,000
Yellowstone Plaza 9%	Belgrade	30	\$6,400,000
Centennial Village	Great Falls	48	\$6,500,000
Valley View Village	Helena	31	\$6,500,000
Carter Commons	Great Falls	25	\$6,400,000
Total Requested			\$70,749,600

2023 Round Letter's of Intent

Name	City	Units	Request
ANHA LHTC #2	Crow Agency	37	\$6,435,000
Cabinet Aff Housing	Libby	24	\$6,500,000
Meadowlark	Butte	30	\$6,500,000
Creekside Apts 9%	Missoula	40	\$5,750,000
Sage Grouse Homes	Missoula	26	\$6,500,000
Yellowstone Plaza 9%	Belgrade	30	\$6,400,000
Valley View Village	Helena	31	\$6,500,000
Carter Commons	Great Falls	25	\$6,400,000
Total Requested			\$50,985,000

A PROJECT FOR GREAT FALLS?

Affordable Senior Living



Great Falls, Montana

Project Highlights

- 25 Homes
 - For age 55+
 - 1 & 2 bed homes
 - New construction
 - Rents from \$595-\$950
- Community
 - Onsite Manager's Office
 - Community Room with Kitchen
 - Outdoor Patio
 - Crafting/multipurpose space
 - Card and Billiards room
 - Elevator Service
 - Secured Building Entry
- Energy & Green
 - LED Exterior Lighting
 - Motion sensing, dimmable switches
 - Energy Star Appliances
 - Low VOC paints and adhesives
 - Formaldehyde free laminates
 - Water efficient Landscaping
 - Smoke Free Policy
 - Project Location, walkable!
 - Redevelopment site

Building Concept



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Unit Floor Plan



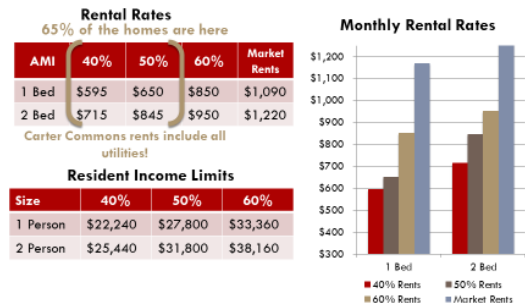
Location



Location



Affordability



Preliminary Market Study

- Senior Homes Needed!
 - ▣ 297 new **SENIOR** homes needed!
 - ▣ Low capture rate of 8.1%
 - ▣ Last year's market study found 0.1% vacancy rate in community across all rental types
 - ▣ 3rd largest city in Montana
 - Last senior development, Cascade Ridge, was funded in 2015!



Development Timeline

- Application and Award
 - ▣ Letter of Intent – April 11th
 - ▣ Invitation to Apply – May 17th
 - July 19th – Complete Application Due – August 1st
 - ▣ Projects Selected for Awards – October 17th
- Development
 - ▣ Complete Plans & Construction Start – June 2023
 - ▣ Construction Complete – June 2024



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The project site location is near the corner of 5th Avenue and 3rd Street and is across the street from Carter Park and close to the River's Edge Trail. The site is zoned correctly for what they are looking to do and all of the infrastructures available are to that location.

As part of their letter of intent, a mini market study was conducted and concluded a huge need for new affordable senior homes in Great Falls. A full market study was also conducted. One thousand seven hundred sixty one units were surveyed and turned up a zero percent vacancy rate. There's undoubtedly a need for new affordable homes in Great Falls.

He recapped that Housing Solutions turned in its letter of intent in April. Eight projects were remaining in May and seven at this point. The completed application is due August 1, 2022. Assuming they get the green light in October 2022, they would move right into design with the architect, break ground in the Spring of 2023 and opening the doors in the Spring of 2024.

Mayor Kelly asked if there were any questions of the presenter.

Commissioner Hinebauch inquired how many projects are awarded across the state.

Mr. Currence responded 4 to 5.

Commissioner Wolff expressed appreciation to Housing Solutions and hopes this project is successful. As this survey shows and as the others have shown, this type of housing is so needed in Great Falls. She also recognized City resident Shyla Patera who advocates so strongly for housing for anybody of any ability to access and this project does that.

Commissioner McKenney noted the huge housing and senior housing need in this community. Should the project be awarded, there will be a waiting list as soon as it is announced. He inquired how Housing Solutions would choose renters.

Mr. Currence explained that there are Fair Housing and other guidelines they have to follow. The management company will also be working closely with the local Housing Authority on the wait list.

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Commissioner McKenney inquired if income level was part of the decision making process.

Mr. Currence responded that these properties are restricted to 60% or below of the area median income. Their management company is very well trained in the compliance side of these projects and how to verify income. The Board of Housing, the entity that administers the tax credits, oversees all of that. They do annual audits of the files to make sure Housing Solutions is complying with what it promised to do and how incomes are being verified.

In response to Mayor Kelly, Mr. Currence reported that Housing Solutions is going for the 9% credits. With current construction costs and interest rates rising, it is becoming more and more difficult to use the 4% credits.

Mayor Kelly asked if there were any comments from the public.

Sherrie Arey, Executive Director of NeighborWorks Great Falls, commented that this project is an extremely needed new development to come to Great Falls. The tax credits are highly competitive. She encouraged the Commission and staff to continue to help Housing Solutions, including written letters of support, so the project can come to Great Falls. The housing study conducted by NeighborWorks, Great Falls Development Authority and the realtors shows the need for these homes. What they hope can happen with a project like this is that it then frees up housing from those individuals that want to downsize and age in place in such a new facility close to downtown. She concluded that NeighborWorks highly supports this project. She thanked Housing Solutions for coming to Great Falls.

Jolene Schalper, Great Falls Development Authority (GFDA), reported that GFDA and its 200+ private sector businesses that support GFDA are adamantly in favor of this project and hope that it is awarded tax credits. With the need for housing in our community as GFDA has spoken about repeatedly and as the studies point to time and time again, Great Falls needs affordable housing options for seniors.

Secondly, speaking as a private resident who owns a business just a few blocks from this location, she is very excited to have a location such as this near her restaurant. It will be a lovely addition to the neighborhood. She urged the Montana Board of Housing to approve these credits.

Shyla Patera, North Central Independent Living Services, provided written comments in support of the Carter Commons project, noting housing is important for seniors and people with disabilities. This project will assist the City in promoting accessible, affordable and universally designed housing.

There being no one further to address the Commission, Mayor Kelly closed the public hearing.

Commissioner Wolff expressed the excitement she has for this project and offered letters of support, if appropriate.

Commissioner McKenney commented that, as a realtor, he really sees the need for this project. It is stunning the need Great Falls has for housing at every level, beginning, affordable,

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workforce, apartments and high-end housing. A positive to a project like this is that it creates movement in the marketplace. He is absolutely for this project and he hopes it goes forward.

Mayor Kelly concurred with all of the comments. Hearing no objection, he offered to send a letter from the City Commission backing the project and encouraging the Board of Housing to deliver those credits to Housing Solutions.

Mayor Kelly concluded the public hearing and wished Housing Solutions luck with its project.

17. BUSINESS IMPROVEMENT DISTRICT (BID) FY 2023 BUDGET AND WORK PLAN.

Mayor Kelly declared the public hearing open and asked for presentation of the staff report.

BID Community Director Joan Redeen, 318 Central Avenue, reported that a lot has transpired in the last year, both with work and on a personal level. After 13½ years, this will be her final report as the Community Director for the BID. As of July 1, Kellie Pierce is the new executive director of the BID office. Although she and her husband moved to Missoula to help care for their grandson, she will continue in a different role working remotely as Coordinator of Operations of the Downtown Great Falls BID office.

Before the Commission for approval is the FY 2023 BID budget and the work plan. The work of the BID is truly diverse and ever changing. This fiscal year the BID is bringing back two of its grant programs. The interior grant is available to both property and business owners with a maximum potential of \$5,000 per project for permanent improvements. The business incentive grant is a maximum grant of \$5,000 paid directly to property owners covering a month's rent for a brand new business that moves into the BID boundaries.

Some of the services the BID provides to its property owners includes flowers, trash removal, tree work, sound system, and graffiti removal. The big accomplishment this year was citywide way finding was officially launched. The BID completed installation of 57 motorist signs and 20 pedestrian signs. There are kiosks to be installed and likely some additional signage. The second greatest accomplishment this past fiscal year was the BID successfully added 20 new parcels and expanded to include the 700 block of Central, and portions of the 700 block in 1st Avenue South and 1st Avenue North.

The fourth annual ArtsFest Montana is scheduled for August 12-19. Nine artists will be in Great Falls for 10 days installing amazing works of art, that includes local indigenous artists, artists from Argentina and an artist from Los Angeles who recently appeared in a commercial for Porsche. The artists have followings and those followings create tourism for Great Falls.

Other ArtsFest activities include an artist workshop, painting tracks from the library to the story walk in Gibson Park, an artist reception, and an auction to raise money for future mural festivals.

Community Director Redeen also shared prior year statistics from Artsfest Montana, including that the BID has invested \$90,000 hosting the mural festival over the past three years.

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She expressed appreciation to City staff in the Planning and Community Development Department, City Manager's Office, Finance Department, and the Legal Department for help in implementing many projects.

Mayor Kelly asked if the Commission members had any questions of BID Community Director Redeen or staff. Hearing none, Mayor Kelly asked if there were any comments from the public in support of the BID's FY 2023 Budget and Work Plan.

Jolene Schalper, Great Falls Development Authority, commented that GFDA is grateful to Joan Redeen for her legacy, and is enthusiastically supportive of Kellie Pierce. GFDA is in support of the budget as presented.

Sherrie Arey, Executive Director of NeighborWorks Great Falls and Treasurer of the BID, commented that she speaks highly in favor of the budget as presented. The grant program is a great accomplishment and continues to let people know the great things that are happening in the downtown community.

Mayor Kelly asked if there were any comments from the public in opposition to the BID's FY 2023 Budget and Work Plan.

Hearing none, Mayor Kelly closed the public hearing and asked the will of the Commission.

Commissioner Wolff moved, seconded by Commissioner Tryon, that the City Commission accept the FY 2023 Business Improvement District Budget and Work Plan.

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioner McKenney commented that his career background has been entrepreneurship. Since he was elected, he has attended BID meetings as an observer. He has never seen such a tightknit group of entrepreneurs that work together, take risks, and do an excellent job moving our community and businesses forward.

Many folks do not understand how important the downtown district is. When investors come into a community, they drive around the community and downtown is top on the list.

For many decades, downtown was not a place where you want to take investors. It has changed, mostly due to the work of the entrepreneurs, the work of the BID.

He is a firm proponent of what the BID is doing and recommends approval of this budget.

Commissioner Wolff noted that it has been a pleasure getting to know Joan Redeen, Kellie Pierce and the others. The young people who have moved in and invested their money into this community is just phenomenal. She cannot say enough about ArtsFest and the murals because it brings beautiful color to our community.

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Mayor Kelly expressed appreciation to Joan Redeen, adding that she is a true community treasure, and extended the best of luck to Kellie Pierce in her new responsibility as well.

There being no further discussion, Mayor Kelly called for the vote.

Motion carried 5-0.

18. TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) 2022/2023 BUDGET AND WORK PLAN (TBID 1307).

Mayor Kelly declared the public hearing open and asked for presentation of the staff report.

TBID Executive Director Rebecca Engum, 15 Overlook Drive, reported that she is representing a team of four people from Great Falls Montana Tourism. Great Falls Montana Tourism is the organization that represents both the Convention and Visitors Bureau and the Tourism Business Improvement District.

The TBID fund collection is estimated for FY23 to be \$772,693. The final amounts will be levied in August. These funds are collected from people staying in Great Falls' lodging facilities that have six rooms or more unless they stay over 30 days. These are considered exempt rooms if they stay 30 plus days and do not pay the TBID assessment or the lodging facility use or sales tax for the State of Montana. Room demand for FY22 was 27% higher than FY21, 22% higher than FY20 and 3% higher than FY19.

The FY23 plan reflects the rebuilding year that is ahead of the TBID with a new team and a new location and a few new priorities. Great Falls Montana Tourism will continue to use paid and owned media to attract leisure travelers, develop relationships to land meetings and conventions and grow our membership on the Convention and Visitors Bureau side.

TBID is renewing its commitment in FY23 to events and will be working to either develop or secure a new event that is of large scale and will be a signature cornerstone for Great Falls. Continuing in 2023 is their seven day per week guest services or Visitor Information Center services between May and September. TBID has a \$140,000 commitment to expanding air service for Great Falls for the fiscal year. Their new website will be completed and launched this year.

In 2021, Great Falls hosted 1.4 million overnight guests compared to 1 million in 2019. TBID is continuing its recovery journey from Covid-19. TBID is seeing a new traveler that is coming to and enjoying Great Falls, and meetings and conventions continue to lag behind where the industry was in 2019.

TBID has applied for ARPA funds to aid them in some much needed master planning for tourism in Great Falls. This effort, if funded, will provide a roadmap for new visitors and provide guidance for how Great Falls can develop over the next five years to be better positioned for growth and tourism and yet maintain the status of our community for the residents.

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This FY23 budget is 31% higher than the FY22 budget and is based on actual and estimated assessment funds that have been collected between July 2021 and June 2022. Final quarter reporting will be due to the TBID at the end of this month for the City's preparation in August.

Mayor Kelly asked if the Commission members had any questions of TBID Executive Director Engum.

Commissioner Wolff requested clarification about the new market.

TBID Executive Director Engum responded that it is a new traveler, one that does not spend like the others have. What they have seen in the past is a little bit older of a demographic that invests in Made in Montana products, enjoys local businesses, and likes local food. However, this new traveler is not familiar with outdoor recreation. They do not spend money the way that the old traveler did and they really do not have a clear picture of who this person is, what attracts them and how to really get them to be positioned in our market. A lot of that has to do with how do we message to them on how to appropriately use our community versus the old traveler that knew how to use our community and not abuse it.

Mayor Kelly asked if there were any comments from the public in support of the TBID's 2022-2023 Budget and Work Plan.

Kellie Pierce, BID Executive Director, 318 Central, commented that the downtown BID office has developed a wonderful relationship with Rebecca Engum and her team. They are supportive of the BID's downtown revitalization efforts and couldn't do all that they do without the TBID's help and support in getting tourists downtown to enjoy the progress that is being made.

Jolene Schalper, Great Falls Development Authority, commented it is a pleasure working with Rebecca Engum. GFDA is pleased to support her and her team in their efforts and adamantly supports the budget moving forward.

No one spoke in opposition to the TBID's 2022-2023 Budget and Work Plan. Mayor Kelly closed the public hearing and asked the will of the Commission.

Commissioner Tryon moved, seconded by Commissioner Hinebauch, that the City Commission accept the 2022/2023 Tourism Business Improvement District Budget and Work Plan.

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0.

19. **RESOLUTION 10469, INTENT TO INCREASE PROPERTY TAX.**
20. **RESOLUTION 10460, ANNUAL BUDGET RESOLUTION.**

Mayor Kelly declared the joint public hearing open and asked for presentation of the staff report.

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City Manager Greg Doyon and Finance Director Melissa Kinzler provided and discussed the following combined presentation on Agenda Items 19 and 20, Resolution 10469 – Intent to Increase Property Tax, and Resolution 10460 – Annual Budget Resolution:



FY2023 Annual Budget Hearing

July 19, 2022



City Commission Priorities (February 2022)

1. Promote, educate and take action on the viability, sustainability and efficacy of the Police and Fire Departments
2. Explore the option of a Public Safety Levy
3. Approve and implement appropriate Crime Task Force recommendations
4. Commit to an intentional approach to the housing issue with community partners
5. Continue to work with community partners and the City's development review process to ensure Great Falls is a growing, business friendly community
6. Focus on City facilities and resources

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Current Budget Environment

- Lingering COVID Impacts
- National Economic Conditions
 - Work Force!
 - Supply chain disruption
 - Inflation
- CARES/ARPA

As with other private and public entities, the City of Great Falls is not immune from impacts of these environmental factors.

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Specific Impacts FY23

- Challenging Combination:
 - COVID "Recovery"
 - No Tax Increase or User Fees
 - Inflation
- Other Key Elements
 - Training
 - Fire Department Turnover
 - Police Department Retirements/Turnover/Promotions
- External Labor costs
- Capital Projects
- Undesignated Fund Balance Management
 - FY21 - \$552,501 used
 - FY22 - \$571,301 used
 - **FY23 Projected: \$7,885,396 or 20.83%**

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FY 23 Approach

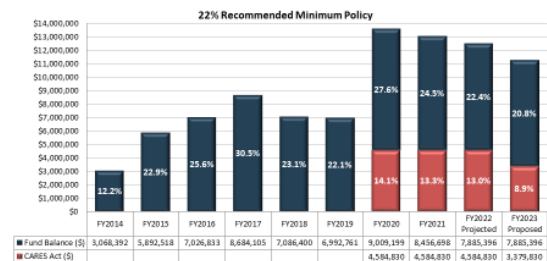
To meet Commission Priorities and basic service expectations, utilize the following:

- Inflationary Factor
- Permissive Medical Levy
- Fund Balance
- CARES
 - \$1,205,000 for General Fund
 - \$472,000 for other funds
- ARPA
 - \$163,410 - Department budget requests for one-time purchases

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General Fund 10 Year Fund Balance



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General Fund Tax & Entitlement Revenue

General Fund Revenue Segment	FY2021 Actual Increases	FY2022 Actual Increases	FY2023 Proposed Increases	Impact to Households
Newly Taxable Property	\$ 119,488	\$ 366,758	\$ 400,000 <small>Amount not known until August</small>	N/A
Inflationary Factor	\$ 0	\$ 0	\$ 641,691	\$100,000: \$8.36 \$200,000: \$16.72
Permissive Medical Levy	\$ 0	\$ 0	\$ 248,305	\$100,000: \$3.23 \$200,000: \$6.47
Entitlement Share	\$ 284,198	\$ 130,271	\$ 294,004	N/A
Total Revenue Increase	\$ 403,686	\$ 497,029	\$ 1,584,000	

Great Falls and Other Communities

* Each City's tax increases are a combination of some or all of the inflationary factor, carry-over mills, permissive levies, and voted levies



	Tax Increase* (\$200,000 home)	Assessment Increases	Utility Increases
Great Falls	\$23.19	Street – 0% Park – 0% Boulevard – 12% Street Lights – 4.5%	Water – 5% Sewer – 5% Storm Drain – 5% Sanitation – 10%
Bozeman	~ \$203.45	Street – 6% Forestry – 6% Parks – 15%	Water – 0% Sewer – 0% Storm – 9%
Billings	~ \$103.93	Street – 6% Park – 6%	Water – 2-3% Sewer – 2-3% Sanitation – 5%
Kalispell	~ \$60.00		
Helena	Not calculated yet but will be taking full inflationary factor and permissive medical levy		
Missoula	Waiting for new taxable values from DOR		
Butte	No increase anticipated		

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American Rescue Plan Use

ARPA Use	FY2023 Budget	Source
Community Grants	\$3,000,000	
IT Network Security	\$140,270	Tier 1 Project
Civic Center AV Upgrades	\$171,331	Tier 1 Project
Fire Station Doors	\$425,000	Tier 1 Project
Fire Truck Refurbishment	\$1,299,337	Tier 1 Project
HR Office Remodel	\$500,000	Tier 1 Project
Parking Garage Security Improvements	\$52,786	Tier 1 Project
Miscellaneous Fire Department Equipment	\$88,410	FY2023 Above & Beyond Request
Park & Rec Admin Building ADA Restroom	\$75,000	FY2023 Above & Beyond Request
Total ARPA Usage in FY2023	\$5,752,134	
Remaining ARPA Balance	\$13,720,603	

CARES Act Use

CARES Act Use	Amount
FY22 Replenish Funds Impacted by COVID	\$1,141,151
Balance General Fund Budget in FY2023	\$1,205,000
Replenish Planning Fund in FY2023	\$297,500
Replenish Recreation Fund in FY2023	\$140,000
Replenish Multi-Sports Fund in FY2023	\$34,500
Total CARES Act Usage	\$2,818,151
Remaining CARES Act Balance	\$7,341,012

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City-Wide Total Budget

	FY 2021 Actual	FY 2022 Amended	FY 2023 Proposed	Increase (Decrease)	% Change
Revenues					
Taxes	\$ 25,474,917	\$ 26,001,617	\$ 27,280,154	\$ 1,278,537	4.92%
Licenses and Permits	\$ 2,116,652	\$ 2,185,276	\$ 2,451,128	\$ 265,852	12.17%
Intergovernmental	\$ 28,158,870	\$ 24,496,097	\$ 15,575,147	\$ (9,320,950)	-37.44%
Charges for Services	\$ 50,109,799	\$ 49,378,217	\$ 52,176,709	\$ 2,797,472	5.67%
Fees and Forfeitures	\$ 857,643	\$ 817,500	\$ 831,300	\$ 14,800	1.71%
Internal Service	\$ 14,328,381	\$ 15,324,240	\$ 16,359,901	\$ 1,035,661	6.76%
Special Assessments	\$ 8,622,693	\$ 8,472,176	\$ 8,584,811	\$ 112,635	1.33%
Investment Income	\$ 115,826	\$ 20,650	\$ 20,650	\$ -	0.00%
Other	\$ 1,912,478	\$ 800,576	\$ 605,535	\$ (1,091,041)	-57.06%
Transfer In	\$ 2,892,679	\$ 5,589,121	\$ 2,498,405	\$ (3,090,716)	-55.30%
Issuance of Debt	\$ 6,423,758	\$ 9,940,000	\$ -	\$ (9,940,000)	-100.00%
Sale of Assets	\$ (41,528)	\$ -	\$ -	\$ -	0.00%
Total Revenue	\$ 141,192,169	\$ 143,426,490	\$ 126,383,940	\$ (17,042,550)	-11.88%
Expenses					
Personal Services	\$46,026,184	\$49,595,721	\$52,150,775	\$ 2,555,054	5.15%
Supplies	\$5,341,426	\$6,537,444	\$6,963,791	\$ 426,347	6.52%
Purchased Services	\$27,012,864	\$30,286,621	\$28,808,733	\$ (1,477,888)	-4.88%
Debt Services	\$6,831,385	\$7,321,282	\$6,564,098	\$ (757,184)	-10.34%
Contributions & Other	\$1,406,733	\$2,296,872	\$2,243,463	\$ (53,409)	-2.33%
Other	\$335,998	\$31,610	\$20,450	\$ (11,160)	-35.31%
Internal Service	\$13,063,616	\$13,902,078	\$15,338,263	\$ 1,436,185	10.33%
Capital Outlay	\$15,114,623	\$39,030,310	\$34,181,948	\$ (4,848,362)	-12.42%
Transfer Out	\$2,905,963	\$3,197,003	\$2,498,405	\$ (698,598)	-21.85%
Total Expenses	\$ 118,056,792	\$ 152,198,940	\$ 148,769,926	\$ (3,429,014)	-2.25%

General Fund Total Budget

	FY 2021 Actual	FY 2022 Amended	FY 2023 Proposed	Increase (Decrease)	% Change
Revenues					
Taxes	\$ 20,960,760	\$ 21,539,142	\$ 22,978,679	\$ 1,439,537	6.68%
Licenses and Permits	\$ 951,160	\$ 1,070,600	\$ 1,011,200	\$ (59,400)	-5.55%
Intergovernmental	\$ 9,014,619	\$ 9,012,215	\$ 9,464,998	\$ 452,783	5.02%
Charges for Services	\$ 1,194,149	\$ 1,189,958	\$ 1,200,461	\$ 10,503	0.88%
Fees and Forfeitures	\$ 755,720	\$ 770,000	\$ 770,000	\$ -	0.00%
Internal Service	\$ 961,965	\$ 1,004,150	\$ 1,040,044	\$ 35,894	3.57%
Investment Income	\$ 36,810	\$ 15,000	\$ 15,000	\$ -	0.00%
Other	\$ 106,531	\$ 144,322	\$ 156,364	\$ 12,042	8.34%
Total Revenue	\$ 33,973,714	\$ 34,745,387	\$ 36,656,746	\$ 1,911,359	5.50%
Expenses					
Personal Services	\$24,799,481	\$25,776,600	\$27,433,367	\$ 1,656,767	6.43%
Supplies	\$983,724	\$1,062,116	\$1,223,712	\$ 161,596	15.21%
Purchased Services	\$1,682,768	\$1,422,388	\$1,567,366	\$ 144,978	10.19%
Debt Services	\$309,773	\$309,182	\$308,616	\$ (566)	-0.18%
Contributions & Other	\$250,000	\$250,000	\$250,000	\$ -	0.00%
Other	\$39,174	\$21,160	\$20,000	\$ (1,160)	-5.48%
Internal Service	\$4,770,463	\$5,044,222	\$5,439,353	\$ 395,131	7.83%
Capital Outlay	\$31,655	\$0	\$0	\$ -	0.00%
Transfer Out	\$1,659,178	\$1,659,178	\$1,619,332	\$ (39,846)	-2.40%
Total Expense	\$ 34,526,216	\$ 35,544,845	\$ 37,861,746	\$ 2,316,901	6.52%

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Proposed Rate, Assessment and Fee Adjustments

Department		Division	FY2023 Adjustment	Prior 2 Years Adjustments
Utility	Public Works	Water	5%	0%
Utility	Public Works	Sewer	5%	0%
Utility	Public Works	Storm Drain	5%	0%
Utility	Public Works	Sanitation - Commercial	10% (May '22)	0%
Utility	Public Works	Sanitation - Residential	10% (May '22)	0%
Assessment	Park & Rec	Natural Resources – Boulevard	12%	0%
Assessment	Park & Rec	Portage Meadows	5%	0%
Assessment	Park & Rec	Park Maintenance District	0%	0%
Assessment	Public Works	Street Maintenance	0%	0%
Assessment	Special Districts	Street Lighting Districts	4.5%	- 1.0%

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Changes in FTEs

General Fund – Police	COPS Grant – Added 3 positions	3.00
Planning & CD	Removed 1 Development Engineer	(1.00)
CDBG/Housing Authority	Part-time Fair Housing Specialist to full-time	0.25
Library	Part-time clerk/custodian to full-time	0.38
Park & Recreation	Recreation/Pool hours moved to temporary/seasonal	(5.84)
Civic Center Facilities	Reorganization from PCD to Administration	(0.10)
Engineering	Re-instated Summer intern position	0.25
Total Increase (Decrease) in FY2023		(3.06)
Total FTEs in FY2023		509.60

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Next Steps

- Today
 - Public Hearing – Intent to Increase Property Tax
 - Public Hearing – Annual Budget Resolution – Adopt or Continue
- August 16th
 - Adopt Mill Levy

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Capital Outlay Major Projects

Reference: Budget Book Pages 131-135

Major Project	Project Budget
Street/BarSAA East Fiesta & Giant Springs Rd	\$1,268,369
Water Plant Filter Replacement Phases 2 & 3	\$6,000,000
Water Main Replacements	\$2,900,000
Sewer Lift Station #1	\$5,000,000
Sewer Plant Clarifier Repair	\$2,000,000
Central Ave & 3 rd St Storm Drain	\$1,200,000
Year 5 Park District Projects	\$494,220
6 Patrol Cars	\$239,760
Street Equipment (Sweeper, roller, dump truck)	\$666,160
Sanitation Sidelander	\$362,310
Various ARPA Projects	\$5,663,724
Total Capital Outlay Budget in FY2023	\$34,181,948

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Making Progress

- Civic Center façade
- Park Maintenance District
- Recreation & Aquatics Center
- ARPA/CARES Projects
- **Crime Task Force**
 - COPS Grant added 3 new officers
 - Patrol Sergeants
 - Addressing some needs for both Fire/Police
- ECP Debt Paid!

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City Manager Doyon commented that, for residents that have been interested in the City's budgeting process, there have been several work sessions about the proposed budget for next fiscal year. Those meetings were open to the public for people to participate, comment, and provide their perspective on the City's budgeting process and needs.

There is a Balancing Act program on the City's website for anyone that wants to take on the City's budget or a portion of it. It shows how difficult it is to actually come up with a budget.

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When he transmits the budget to the Commission, he tries to tie the priorities of the Commission to the priorities in the budget. He categorized the Commission's three priorities: public safety, economic development, which includes housing, and properly resourcing City government to provide services including taking care of City employees.

For the staff, the budget process just never ends. Tonight's action is a formal milestone to adopt a budget that projects what staff thinks the City will be receiving in revenues. Once it is adopted by the Commission after a public hearing, staff will administer and monitor the budget and it will likely be adjusted throughout the year.

For folks that are interested in following budget discussions, quarterly updates are also provided to the City Commission to talk about how the funds are performing.

As mentioned with the Balancing Act tool, it is not as easy to develop the budget as one may think. Many times the budget is, in large part, already done for the Commission. Prior year obligations such as collective bargaining agreements, or other financial commitments such as debt service or legislative actions, drives some of the external impacts on the budget and how it is approached.

He knows that every taxpayer is dealing with a difficult economic season. The City, unfortunately, is not immune from some of those factors. Federal funding has been offered that is assisting the City. It is definitely not free money and will have to be repaid by the taxpayer at some point. It is important to be mindful about how the City uses those funds and allocates it to outside entities.

The City did not take the inflationary factor for the prior two budget cycles to give the taxpayers a break during Covid. He has shared with the Commission over the past year that it was highly unlikely that the City would be able to avoid it the third year. He also has shared that when the City accepts the Cops grant for more law enforcement officers, the Commission will definitely have to take the inflationary factor because what the City raises in taxes does not pay for police and fire together without the state's entitlement share. Property taxes are the primary funding mechanism for police, fire and other general fund departments. It will be impossible for the City to maintain expected service levels without taking an inflationary factor this year.

One of the primary goals for this upcoming budget was also to restore fund balance to meet the policy amount of 22%. He has warned the Commission during the budget process that not only has he been concerned about what is happening economically this year, but also about what next year might look like. There are going to be some operational impacts that are definitely going to affect the City organization. He wants to make sure that the City has a strong fund balance rolling into the FY24.

Staff also started educating the Commission and the public about tax increment financing (TIF) and tax abatements, which have a quiet, cumulative impact on the general fund just to finance basic activities. He understands why the economic development tools are utilized, but cautioned balance in the future. Fire, police and other core City service costs typically do not go down when a city grows. There has been a lot of growth here and there is public expectation to maintain those services as well.

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One concern was one of the beneficiaries of a recent tax abatement has filed a property tax appeal. While it is within their right to do something like that, it is going to have an impact. That is why he is stressing the fund balance piece and restoring that for next year to help mitigate the impact of that appeal process as it works its way through the Department of Revenue which could be a two to three year process.

Manager Doyon said early in the budget process that he envisioned this kind of unusual three strand cord approach to the City's budget utilizing the City's existing revenue sources, CARES and ARPA funds. CARES and ARPA funds had to be utilized in a more aggressive way to offset Covid impacts, and inflation, and for not taking the tax increases over the last two years. He believes the budget meets the Commission's goals.

Finance Director Kinzler discussed the numbers and figures in PowerPoint slides 7-15 that included general fund tax and entitlement revenue, comparisons of Great Falls to other communities, the American Rescue Plan use, Cares Act use, city-wide total budget, general fund total budget, proposed rate, assessment and fee adjustments, capital outlay and major projects, and changes in the number of full-time employees.

Manager Doyon concluded that the City is making progress despite the budget challenges. The City is growing and Great Falls is turning a corner. This new energy and momentum is exciting to see. We should all be proud of what has been accomplished and he is excited about what the future holds for the community.

Mayor Kelly asked if the Commission members had any questions.

Commissioner Tryon received clarification that the entirety of the proposed property tax increase goes into the general fund and is not spread out to all City departments.

Mayor Kelly asked if there were any comments from the public in support of Resolution 10469. Hearing none, Mayor Kelly asked if there were any comments from the public in opposition to Resolution 10469.

Rep. Lola Sheldon Galloway, suggested the City Commission consider contracting out certain services being conducted by City employees to save money and not raise taxes. She also commented that she is seeing more non-profits off the tax records and more brick and mortar businesses flipping the bill. She and her husband run a business and she does not feel like the City is their friend. She requested the Commission do them a favor by not increasing their property taxes.

Jeni Dodd, City resident, requested clarification about waiting for the taxable values from the Department of Revenue before determining the levy. She commented that the City's first responsibility is to its residents. She suggested the \$3 million be used for public safety rather than providing community grants to non-profits. Ms. Dodd also did not think it was fair that more and more food trucks are setting up in parking lots and not paying property taxes like the Galloways that own their own business. She concluded that most residents could not handle any more increases with the current price of food and gasoline.

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Marci Marceau, County resident and owns businesses in the City limits, suggested the Commission find different ways to save money such as an audit for duplicative work done in local government. Everything is getting so expensive and it is the responsible taxpayers that carry the burden.

Julie Bass, City resident, suggested following through and fining the FUMC \$500/day, which would be \$90,000 for six months of the encampment.

Cayle Halberg, City resident, commented that raising taxes on people who own property during a pandemic and a time when there is national upheaval and the huge price index increases is the silliest thing the Commission could do. However, asking the government to not fund itself is probably not going to happen.

Judith Mortenson, City resident, believes the City needs a plan to address the unhoused coming into downtown. She suggested utilizing the fairgrounds and that all taxes be put towards it.

Mayor Kelly asked if staff wanted to respond to any of the questions or comments.

Finance Director Kinzler commented the action tonight pertains to the intent to increase property taxes. The City receives the Department of Revenue's valuations in August and will then set the mil levy that, if adopted, will include the increase in property taxes that the City is allowed to do.

City Manager Doyon pointed out that the City did not raise taxes the prior two years. It was made clear that, over the timeframe, it was unlikely the City would be able to sustain that a third year. He knew upon delivery of the budget that it probably would not be looked at favorably in the sense that he was recommending the Commission take that inflationary factor. The State of Montana has a statewide property tax cap, which prevents the City from exceeding one-half of the three-year rate of inflation. People think that the City can conduct its business and be immune from the inflationary factors that are occurring economically across the country, and that is not the case.

If the Commission chose to not raise taxes, then it would very likely affect the City's public safety posture. To put it bluntly, \$1 million to \$1.5 million would be eliminated from the budget.

Some of the suggestions have been looked at, such as private management of the golf courses. He appreciates the suggestion to work with the Legislators if they are open to talking about alternative funding options for municipalities instead of just relying on property taxes so heavily.

Mayor Kelly closed the public hearing on Resolutions 10469 and 10460 and asked the will of the Commission.

Commissioner Wolff moved, seconded by Commissioner Hinebauch, that the City Commission adopt Resolution 10469 – Intent to Increase Property Tax.

Mayor Kelly asked if there was any discussion amongst the Commissioners.

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Mayor Kelly commented that this is the 11th hour for commenting on the direction of the budget as its being proposed with the property tax increases. He hoped more people would come to the budget work sessions that are detailed and full of the philosophical and economical discussions and decisions. He encouraged those people who were in opposition to this budget to actively participate along the way. The ideas brought forward are not dismissed. However, at this point in time, they have been through a tremendous amount of conversation and negotiation at meetings that were all posted and open to the public.

He pointed out that, in addition to not raising taxes the past two years, none of the City's fees have been increased. The City is restricted by state law to raising property taxes to one-half of the average rate of inflation for three years. Nobody gets ahead in that situation. Our community is growing. There are services that are needed to help it grow to provide a larger tax base so these tax increases become less onerous over time.

As far as the comments made about non-profit organizations, the City has to look at the whole community, the services non-profits provide and not just property and business owners.

No one likes increased taxes. We all understand the burden of high gas prices and higher wages for employees. The City is not isolated from any of those pressures. However, the City does have services it provides to the community. In his opinion, it is done in a very efficient and effective way. The costs being passed on to the community are necessary to maintain those services to not only grow and make a better economic city, but a better place for all of us to live.

Commissioner Tryon commented that he does not want to have to raise taxes, but the Commission really does not have a choice. The Commission's hands are tied in city government as to what can be done. If the Legislature would give the City some other options, then maybe the Commission could look at some other ways to do this. Right now, the Commission's options are what they have before them.

The general fund is where public safety is funded. The Commission either has to cut the public safety level of services or raise taxes at this point. He is going to reluctantly vote in favor of this resolution, as he believes it is the responsible thing to do as a City Commissioner.

Commissioner McKenney commented that the Commission has done its homework. He was struck by the funding constraints municipalities have available – fees and property tax. The City only receives 26% of the local property tax, and 74% goes elsewhere.

The budget before the Commission is bare bones. It always has been and always will be bare bones. It does not meet the needs of our community. The Commission's number one priority is health and safety. The police and fire departments are understaffed right now. The City needs at least one more fire station, maybe two. All of the other City departments are understaffed. That will never change. The only way out of this situation is to grow our local economy. It has not grown in 40 years. Growing the economy means more jobs and more housing.

When we grow the economy, the tax base grows. The City is making progress. It is amazing what has happened in the past year and the future looks very bright. Unfortunately, it is a slow

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grind transferring that growth to the tax rolls. In the meantime, the City has health and safety issues that need funding.

Local government does not have the funding sources of the state. He is going to do everything he can to support a growing local economy and the tax base so that we do not have to do this year after year. We have a growing economy. A growing community is usually a prosperous community and that is where we need to put our vision. A prosperous community. Today, we need this tax increase and he will be voting for it.

Commissioner Wolff concurred with the comments of her fellow commissioners. She also understands the burden that a tax increase has on the individual homeowner and the businesses. She asked that those that spoke in opposition see the services that City government provides - water, sewer, fire, police, etcetera - like a business too. The City pools are being so well used, especially with this hot weather. The cost of chlorine to keep that water safe has gone up over 200%. The City's inflationary factors have been huge, including diesel, gasoline, tires, and technology for communication for police officers and fire trucks out there helping people. The City and Commission have worked at this for months and delved into every small detail. As the Commission said when it set goals, we want to grow the economy here and to do that, we've got to have these services to attract developers and other businesses. Therefore, she will be supporting this Resolution.

Commissioner Hinebauch commented that any small business in our community and in this country has had to deal with increased wages, increased costs, and all the factors of inflation. He looks at it as bad business if the Commission does not take this inflationary factor. He would not run his business this way and hopes that the Commission would not run the City this way. By taking the one-half of the three-year average rate of inflation the City is still going to be behind.

There being no further discussion, Mayor Kelly called for the vote.

Motion carried 5-0.

Finance Director Melissa Kinzler reported that the budget hearing is to address any questions or comments from the Commission or public and is held in conjunction with the Intent to Increase Property Tax because it is included in the proposed budget.

Mayor Kelly asked if the Commission members had any other questions regarding Resolution 10460 – Annual Budget Resolution. Hearing none, Mayor Kelly asked if there were any comments from the public in support of Resolution 10460.

Hearing none, Mayor Kelly asked if there were any comments from the public in opposition to Resolution 10460.

Jeni Dodd, City resident, inquired why the City is providing \$3 million in grants to non-profits rather than using the \$3 million for public safety.

Rep. Lola Sheldon Galloway, cautioned the Commission about using CARES and ARPA money to balance the budget as it is one time use only. Rep. Galloway also reported that there

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is a \$1.8 billion dollar increase at the state level right now and, as a legislator, requested input about what the needs are of the City of Great Falls because she wants it to benefit the citizens and businesses here in the city.

Marci Marceau, County resident, suggested the Commission find businesses that compliment Great Falls and give those businesses the incentives that are given to non-profits. She wants Great Falls to be a city of prosperity because of businesses, not because of handouts.

Judith Mortensen, City resident, commented that she grew up in Great Falls when there was a lot of prosperity and with many business people who were involved in building the infrastructure of this town. They felt responsible for making sure that there was an infrastructure and a balanced budget and they managed to do both for a long time. It is apparent to her that the Commission's job is to make sure that the infrastructure is funded and that the needs of this town are taken care of. If that takes a tax increase, residents have to get used to the idea that we have to pay for what we are asking for.

In response to Ms. Dodd, Mayor Kelly commented the CARES and ARPA funds came with restrictions. The majority of those those dollars, appreciating that they were one time only, were used to shore up some of the fund balances that were decreased because the Commission didn't take the tax increases over two years' time and the City was still offering services and didn't increase fees because of concern for the community, and to provide for additional public safety. The \$3 million dollars that is out there for community partnerships is not a handout. It is designed to meet the needs of the the low to moderate income community members who were vastly affected by the pandemic.

Commissioner Tryon added that since the beginning of the process, he advocated that ARPA money not be distributed to community partners. He thought the best use of the money would be one-time usages for the city and the needs within the City. He is only one of five and the consensus of the Commission was to allocate \$3 million dollars for that purpose. The Commission will be deliberating over the use and the applications for that money. There will be time to publicly vet and discuss those allocations.

There being no one further to address the Commission and no further discussion, Mayor Kelly closed the joint public hearing and asked the will of the Commission.

Commissioner Hinebauch moved, seconded by Commissioner Tryon, that the City Commission adopt Resolution 10460 – Annual Budget Resolution.

Mayor Kelly asked if there was any further discussion amongst the Commissioners.

Mayor Kelly expressed appreciation to staff for the work that was done. The budget is never easy.

There being no further discussion, Mayor Kelly called for the vote.

Motion carried 5-0.

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Mayor Kelly called a recess at 9:45 pm and called the meeting back to order at 9:53 pm.

21. **ORDINANCE 3245, PROVIDING THAT THE CHARTER OF THE CITY OF GREAT FALLS BE AMENDED TO ALLOW FOR ONE OR MORE ELECTED MUNICIPAL COURT JUDGES AND SUBMITTING SUCH CHARTER AMENDMENT TO THE ELECTORS OF THE CITY OF GREAT FALLS.**

Mayor Kelly declared the public hearing open and asked for presentation of the staff report.

City Attorney Jeff Hindoen reported that the Charter of the City of Great Falls establishes a judicial branch consisting of a Municipal Court in which all misdemeanor criminal, traffic and municipal code infractions are prosecuted. The Great Falls Municipal Court serves as a court of record under Montana law and has, even in its prior form as a City Court (which was not a court of record), consisted of a single elected judge.

The City Commission has previously recognized the need for additional judicial branch staffing and in the past approved budget authority for the sitting Municipal Court Judge to hire an assistant part-time Municipal Court Judge under provisions in Montana law that allowed for that gesture. The 2021 Legislature, however, took steps to repeal that “hiring” authority in SB 127 and enacted a new requirement that all Municipal Court Judges serve in positions that are subject to election.

Montana Code Ann. § 3-6-201(1) provides that the City Commission “shall determine by ordinance the number of judges required to operate the municipal court.” The City’s current Charter language, however, provides that “[t]here shall be a municipal court and an elected municipal court judge as provided by Montana law”. (Emph. supplied).

Given the Commission’s prior recognition of the need for additional judicial resources and its present intention to allocate resources towards that additional judicial staffing as part of the FY 2022-23 budget, and the legislative change effected through SB 127, it is necessary to amend the Charter to remove that “singular” limitation on the number of elected municipal court judges to allow for the creation of a new and additional elected judge position.

Pursuant to Mont. Code Ann. § 7-3-103, an amendment to a self-government charter may only be made by submitting the question of the amendment to the electors of the local government. In this type of situation where the local government is itself proposing the charter amendment, the amendment must be proposed by ordinance. Ordinance 3245 will serve as the procedural vehicle for submitting the proposed Charter amendment to the electors of the City of Great Falls this upcoming November.

Adoption of Ordinance 3245 is the first step in sending the question to the electorate of removing that singular limitation language in the ordinance. At the next meeting, the Commission will act on a resolution to send this ordinance to the election administrator for the City voters to vote on.

The requested action is that the Commission conduct a public hearing and adopt or deny ordinance 3245.

Mayor Kelly asked if the Commission members had any questions.

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Hearing none, Mayor Kelly asked if there were any comments from the public in support of Ordinance 3245.

Hearing none, Mayor Kelly asked if there were any comments from the public in opposition to Ordinance 3245.

Cayle Halberg, City resident, commented that he has worked as a public defender and in private practice representing clients in Municipal Court. He commented that the issue is not whether there are enough judges. The issue is whether the City Attorney's Office manages its caseload in a proper way. In his career, about 90% of charges, such as partner family member assault (PMFA) or assault cases, are dragged out for several weeks knowing that they do not have a complaining witness who wishes to appear and prosecute the case.

The prosecutor's job is to seek justice, not seek convictions. Instead of getting rid of those cases, they crowd the docket and then they end up dismissing these cases. There is usually anywhere from one to 15 cases set on the docket on a given day. That requires that those individuals take off several days because the City Attorney's Office does not do its job. He has represented individuals who worked in law enforcement and have been charged on the basis of almost no investigation whatsoever.

He suggested the Commission greatly weigh whether they need to adopt this amendment to the charter when considering that the Court, for the last several years, has been unable to call enough people in to conduct a jury trial. He had several cases end up in mistrials or he has had to waive the jury and proceed to a bench trial when it was not in his client's interests.

If the ordinance is approved to amend the charter, there will be increased budgeting expenses with wages, salaries, and benefits and the Commission will not get much in return.

He encouraged the Commission members to observe the work of the City prosecutors in the Municipal Court and to hear how they talk to individuals who come in there on driving citations or what some cop thinks is endangering the welfare of a child.

City Attorney Hindoien clarified that the requested action is that the Commission enact the ordinance that would put the question to the voters. There will be an opportunity at the next meeting where the Commission will be asked to approve a resolution that actually communicates the ordinance, if it is approved, to the election administrator. There will be upcoming conversations at a Commission meeting wherein the Commission will be asked to amend the current ordinance, if the charter amendment is approved by the voters, in order to even have a second judge, and further opportunities for the public to comment on the question of whether or not there is an actual need for a second judge position.

Mayor Kelly closed the public hearing and asked the will of the Commission.

Commissioner Tryon moved, seconded by Commissioner Wolff, that the City Commission adopt Ordinance 3245.

Mayor Kelly asked if there was any discussion amongst the Commissioners.

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Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0.

OLD BUSINESS

NEW BUSINESS

ORDINANCES/RESOLUTIONS

22. DOWNTOWN URBAN RENEWAL PLAN FOR THE DOWNTOWN URBAN RENEWAL DISTRICT.

I. Resolution 10472, Resolution of Intention, to amend and restate the Downtown Urban Renewal Plan and to approve two storm drainage projects as urban renewal projects.

II. Ordinance 3247, Approving the amended and restated urban renewal plan for the Downtown Urban Renewal District and to approve two storm drainage projects as urban renewal projects.

Planning and Community Development Director Craig Raymond reported that the Commission adopted the Downtown Urban Renewal Plan in 2012 along with the creation of the Downtown Urban Renewal Tax Increment Financing District. The “DURP” essentially is the blueprint or a roadmap for how the City wants to accomplish what the Tax Increment Financing (TIF) district is intended to accomplish. On occasion, new needs and priorities present themselves that drive the need for change. The Commission has been through this a couple of times recently when staff brought an amendment to add the Civic Center Façade project into the plan. The Commission also approved an amendment for three new TIF programs that included façade renovation, environmental safety and code compliance and public safety programs.

The Commission is being asked to consider an additional amendment to the plan in order to help fund much needed public infrastructure improvements that are designed to benefit the greater public. The City’s Public Works Department is moving forward with two capital projects designed to address drainage issues within the Urban Renewal Plan Area. The first project is designed to resolve flooding and ice buildup problems currently taking place within the alley behind the Celtic Cowboy and Hotel Arvon. This alley section, known as 2nd Avenue Alley, is located between Park Drive and 2nd Street South. Because there is almost no slope in the alley and buildings on either side block out sunlight, water has a tendency to pond in the alley and then turn to ice in wintertime conditions. Pedestrians regularly traverse the alley because there is a parking garage on the south side of the alley that hotel guests use.

The second project is a much larger project designed to upgrade the capacity of the storm drainage network downtown. The proposed project area encompasses the streets and avenues bordered by 2nd Avenue North, 2nd Street, 4th Avenue South, and 5th Street. Additionally, the proposed project would include work from the intersection of 4th Avenue South and 2nd Street South to the east bank of the Missouri River. The project will involve adding storm drain inlets, increasing underground pipe capacity, and better conveying storm water to the Missouri River. The project is expected to take place between 2022 and 2027 and be divided up into four distinct

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phases. The total cost of the project is estimated to be slightly over \$6.3 million. Funding for the project will come from three sources: ARPA Grant funds and City storm drain funds (\$3.8 million), and Downtown TIF funds (\$2.5 million). In order to reduce the financial impact on the TIF District's cash balance, the request will be done in \$500,000 increments over the five-year project period. The current balance in the District is \$4.1 million.

There has been an increase in construction activity throughout Great Falls. Staff is excited to see all of the new growth and new development. Infill or redevelopment projects are equally as exciting. Adequate storm water capacity and avoiding flooding is equally as important.

As part of the process, the Downtown Development Partnership reviewed the proposed projects and DURP amendment on June 22nd and voted to recommend approval of both. The Planning Advisory Board also considered the DURP Amendment and voted to affirm that the DURP was consistent with the Growth Policy.

The requested action is that the Commission adopt Resolution 10472 and to accept Ordinance 3247 on first reading and set a public hearing for August 16, 2022.

Commissioner Hinebauch moved, seconded by Commissioner Wolff, that the City Commission adopt Resolution of Intention 10472.

Mayor Kelly asked if there were any comments from the public.

Engineer Russell Brewer commented this is a good project to address the flooding issues in the downtown business district due to high intensity, short duration storms that cause localized flooding areas. Great West Engineering looked at the 10-year storm and developed a plan that, throughout the next four phases, increase capacity of the system and reduce impacts to downtown. Also, this good project scored well for use of ARPA funds.

There being no one further to address the Commission, Mayor Kelly asked if there was any discussion amongst the Commissioners.

Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0.

Commissioner Hinebauch moved, seconded by Commissioner Tryon, that the City Commission accept Ordinance 3247 on first reading and set the public hearing for August 16, 2022.

Mayor Kelly asked if there were any comments from the public or discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0.

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CITY COMMISSION

23. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Commissioner Hinebauch expressed appreciation to Montana ESGR and MANG for the opportunity to experience the Chinook and Black Hawk as part of the Boss Lift program, and to Police Chief Jeff Newton and Captain Schaffer for setting up a ride along for him. He thanked them for all the work they do and appreciated the opportunity to see police work in action.

24. COMMISSION INITIATIVES.

None.

ADJOURNMENT

There being no further business to come before the Commission, **Commissioner Tryon moved, seconded by Mayor Kelly, to adjourn the regular meeting of July 19, 2022, at 10:12 pm.**

Motion carried 5-0.

Mayor Bob Kelly

City Clerk Lisa Kunz

Minutes Approved: August 2, 2022