

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

Regular City Commission Meeting

Mayor Pro Tempore Wolff presiding
Commission Chambers Room 206

CALL TO ORDER: 7:00 PM

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE for those recovering in Fargo, North Dakota after the recent shooting incident that resulted in a police officer killed, and two police officers and a civilian wounded.

ROLL CALL/STAFF INTRODUCTIONS: City Commission members present: Susan Wolff, Eric Hinebauch, Joe McKenney and Rick Tryon. Mayor Bob Kelly was excused. Also present were City Manager Greg Doyon and Deputy City Manager Chuck Anderson; Finance Director Melissa Kinzler and Grant Administrator Tom Hazen; Human Resources Director Gaye McInerney; 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

PRESENTATIONS: Deputy Chief EMS Jeremy Virts and Fire Chief Jeremy Jones presented Jim Doyle, Carley Knudson, Cindy Whitaker, Beth Munstertieger, Kaylin Joyce, Chloe Hayes, Chris Carr, Seth Powers, and Nate Gilmore with Life Safety Awards recognizing them for their outstanding citizenship, acts of selflessness, and ability to provide aid during medical emergency events.

COMMUNITY INITIATIVES

1. COMMUNITY HEALTH UPDATE FROM CITY COUNTY HEALTH DEPARTMENT (CCHD).

Mattie Paddock, CCHD WIC Program Manager and Dietician, reported that the Women, Infants and Children (WIC) Supplemental Nutrition Program serves about 1,100 clients per month. This year, the Farmers Market Program received \$13,320 for participants to spend on fruits and vegetables at the Farmers Market. She also reported that World Breast Feeding Week would be celebrated the first week in August at the Children's Museum.

2. **PETITIONS AND COMMUNICATIONS**

John Hubbard, City resident, commented that he wants a recount on the Library mill levy election, and he opposed the State property tax valuations. He read a portion of the Declaration of Independence pertaining to the right of the people to alter, abolish, and to initiate a new government.

Jeni Dodd, City resident, commented that the Historic Preservation Advisory Commission (HPAC) meeting minutes are "missing" on-line and inquired why the Commission doesn't have Zoom meetings like the HPAC so that more citizens could participate. Ms. Dodd referred to the March 21,

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

2023 City Commission meeting quoting Mayor Kelly's response to Ms. Dodd about the Library mill levy election, a topic not within the City Commission's purview. She concluded that she hopes the next elected mayor will not let personal biases deny free speech.

Mark No Runner, Habitat for Humanity Executive Director, commented that there has been an influx of homeless individuals downtown causing a safety hazard at the ReStore and immediate vicinity, not only due to needles, but human waste. He suggested a plan of action is needed to continue to provide more adequate services to the displaced individuals that seek refuge. Finding a way to be proactive rather than reactive would behoove the entire community.

Steve Durkin, City resident, commented that he walked out of Monday afternoon's Department of Revenue meeting because, in his opinion, Mayor Kelly took over that meeting.

NEIGHBORHOOD COUNCILS

3. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Mayor Pro Tempore Wolff encouraged everyone to participate in his or her Neighborhood Councils and to attend the various Ice Cream Socials.

BOARDS AND COMMISSIONS

4. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

None.

5. REAPPOINTMENT TO THE LIBRARY BOARD.

Mayor Pro Tempore Wolff reported that the Library Board is comprised of five members who are appointed by the City Commission. The Board oversees the Library policies and operations including book policies and services to the City, County, and Pathfinder Federation of Libraries. Members serve for five-year terms, but no more than two full terms in succession, exclusive of time served on any unexpired term.

Continuing members on this Board are Whitney Olson, Samantha DeForest, Jessica Crist and Jay Bradley Eatherly.

There is one opening on the Board. Anne Bulger has served on the Board and has sought to be reappointed. There has been conversation amongst the Commission for quite some time about the reappointment process.

Mayor Pro Tempore Wolff moved, seconded by Commissioner Tryon, that the City Commission not appoint Ms. Anne Bulger to another term on the Library Board tonight.

Mayor Pro Tempore Wolff noted that more discussion about board appointments would occur during Commission Initiatives.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

Mayor Pro Tempore Wolff asked if there were any comments from the public.

Jeni Dodd, City resident, expressed opposition this reappointment and all City board reappointments without first advertising. She read paragraph 3 of Resolution 10235 and referred to the OCCGF 17.12.1.040 F. stating that members to the Planning Advisory Board may be reappointed when his or her term expires as set by Commission resolution.

She inquired why Resolution 10235 was not codified because she could not find anything in the Official Code of the City of Great Falls that claims board members could be reappointed without advertisement to the public. She also suggested that the agenda report citing ¶ 1 of Resolution 10235 conflicts with language in Ordinance 3140 and now codified at OCCGF 2.18.050 D.

Ms. Dodd disagreed with OCCGF 2.18.050 B. because City residents will be paying the special levy for the Library and the bulk of Library operating costs. The County pays only a small fraction of what the City pays for this Library.

Keith Duncan, City resident, on behalf of Liberty and Values MT, objects to the reappointment of Anne Bulger to another term on the Library Board due to the process by which Ms. Bulger's name was placed before the Commission. The City advertises for current Board and Commission openings under the "Boards and Commissions" tab on the City's website. To the best of his knowledge, the position the Commission is considering tonight has never been officially advertised. He suggested a friend apply for an open position on the Library Board. The friend did not complete an application because she could not find any information about an open seat or an application that she could submit. Not advertising seems to him to be a major infraction.

Mr. Duncan continued that the Library Board has very little accountability to the people. Due to this lack of accountability, he opined that this Library Board now looks for opportunities to promote perversion and the sexualization of children and youth. Appointments and the hearings that should accompany them are one of the few ways that this Board can be held accountable. The Library Board must not be allowed the freedom of choosing their own board members.

John Hubbard, City resident, does not believe the Library won the mill levy vote. He took his recount request to the Election Administration who sent him to the County Commission who sent him to the City Commission.

Whitney Olson, County resident, Great Falls Public Library Board Chair, commented that the Board was hoping to move forward with Anne Bulger's reappointment. Ms. Olson commented she is in the second year of her second term. She has seen multiple people serve multiple back-to-back five-year terms. All of the Library Board meetings are open to the public in the Cordingley Room at the Library. She explained that, if the application process is opened, the next time the Library Board meets is in September. There are two openings on the Library Board. Anne Bulger could be reappointed tonight and the Board would have the opportunity to meet in September and make a recommendation to the Commission in October. In the last six years that she has been on the Board there has not been a lot of people attending the Library Board meetings. The interviews she has had to give to get people on the Board have been few and far between. It is nice to see somebody that has served five years on the Library Board willing to do it again. It has not been an easy job and has involved a lot of work. She is excited to see who applies this next go around for those positions. It

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

is a big time commitment and she is looking forward to having that load shared by at least two other people.

Anne Bulger, City resident and Library Board member, commented that the Board believes the Library is a public space that welcomes everyone. Over her five-year term the Board has accomplished: completely remodeling the basement meeting rooms, boiler, air handler, and solving a water problem that existed for years; instituted a new check out system; replaced an ancient Bookmobile; and, made it through the pandemic. It has been her honor to work with this caring and committed Board. When she began her term, she never thought she would be in the middle of a political firestorm. The Board has worked hard at being transparent and all are welcome to attend meetings.

There being no further comments, Mayor Pro Tempore Wolff asked if there was any discussion amongst the Commissioners.

Commissioner Tryon supports the motion and having the matter come back before the Commission at a later date when there has been more time to submit applications, if anyone is interested. He further commented that under Commission Initiatives he would be suggesting that paragraph 3 of Resolution 10235 be amended to advertise for all board openings regardless if there is a member interested in and eligible for reappointment. He clarified that his suggestion has nothing to do with Anne Bulger's qualifications or her standing on the Board. It has to do with the Commission's policy and how the Commission's conducts that policy.

Commissioner McKenney commented that the Library mill levy was a highly contested issue. During that time when asked how to get on the Board, his stock answer was to fill out an application. At that time, he was not aware that people could be reappointed without an application process. More people would like to apply for this Board. They were waiting for notice that never happened. The Commission is within its legal bounds to make this appointment, but he thinks it is best for the Commission to do what Mayor Pro Tempore Wolff has suggested and he will support that motion.

Commissioner Hinebauch received clarification that if an appointment is not made tonight, Ms. Bulger would continue to serve as a voting member on the Library Board until a replacement is appointed. Commissioner Hinebauch would prefer the Commission make the reappointment of Ms. Bulger this evening, and change the advertising process for all boards at a later time.

Mayor Pro Tempore Wolff commented that she has served as an ex-officio Library Board member representing the City for the last year and a half. She is amazed at the knowledge and experience the members bring to this Board. Ms. Bulgers has, through some tough times, stayed very active and supportive of the mission of the Library, which is to serve all people. The motion she made does not reflect Ms. Bulger's ability to serve another term.

Commissioner Tryon read ¶ 2 of Resolution 10235: Members whose terms expire shall serve until a successor is appointed and qualified. It is not the case that the Board will be down one member until she or another member is appointed.

City Attorney Dennis commented he would also review the Library Board by-laws.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

There being no further discussion, Mayor Pro Tempore Wolff called for the vote.

Motion carried 3-1 (Commissioner Hinebauch dissenting).

CITY MANAGER

6. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

City Manager Greg Doyon reported that the North Bank Trail was repaved by Public Works today as part of Phase 1 North Bank Stabilization project (OF 1693.0).

CONSENT AGENDA.

7. Minutes, July 5, 2023, City Commission Meeting.
8. Total Expenditures of \$5,828,034 for the period of June 22, 2023 through July 5, 2023, to include claims over \$25,000, in the amount of \$5,023,882.
9. Contracts List.
10. Award a contract to Shumaker Trucking & Excavation Contractors, Inc. in the amount of \$289,775 for the Natatorium Demolition and Restoration and authorize the City Manager to execute the construction contract documents. **OF 1393.8**
11. Approve the 2023-2024 School Resource Officer Agreement between the City of Great Falls and the Great Falls Public School District.
12. Set the public hearing for Resolution 10514 to levy and assess the General Boulevard District for August 15, 2023.
13. Set the public hearing for Resolution 10515 to levy and assess the Great Falls Park District No.1 for August 15, 2023.
14. Set the public hearing for Resolution 10516 to levy and assess properties within Special Improvement Lighting Districts for August 15, 2023.
15. Set the public hearing for Resolution 10517 to levy and assess the Portage Meadows Maintenance District for August 15, 2023.
16. Set the public hearing for Resolution 10518 to levy and assess the Street Maintenance District for August 15, 2023.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

Commissioner Tryon moved, seconded by Commissioners Hinebauch and McKenney, that the City Commission approve the Consent Agenda as presented.

Mayor Pro Tempore Wolff asked if there were any comments from the public.

Jeni Dodd, City resident, referring to agenda item 13, commented that there is conflicting information about the Park Maintenance District pertaining to whether it is a permanent or 20-year levy. Since it is past the initial three years, she commented the City could propose to assess less than the \$1.5 million for the Park District. She noted that County residents use City parks but are not assessed, but some County residents are forced to pay a City Transit District tax. She concluded that she is sick of being taxed to death.

Brett Doney, on behalf of the Great Falls Development Authority dba Great Falls Development Alliance (GFDA), commented that investors, through the Board of Directors, unanimously supported the Park and Recreation Park Maintenance District levy. That program is accomplishing exactly what GFDA had hoped, and exactly what was told to the voters. The parks and playgrounds are in much better shape and the backlog is being caught up on. It is an important asset for our community residents and what make our city great.

John Hubbard, City resident, inquired what a school resource officer was as set forth in agenda item 11. Mr. Hubbard expressed opposition to agenda items 12-16.

Mayor Pro Tempore Wolff asked if there was any discussion amongst the Commissioners.

Commissioner Tryon clarified that the only action the Commission is making tonight with regard to agenda items 12-16 is to set the public hearings.

Mayor Pro Tempore Wolff noted that a citizen comment was submitted for agenda item 10 requesting that the park and sidewalks remain accessible. With regard to item 11, she recognized the School Resource Officers as hidden heroes in our community as with all the other first responders.

There being no further discussion, Mayor Pro Tempore Wolff called for the vote.

Motion carried 4-0.

PUBLIC HEARINGS

17. **ELMORE ROBERTS (MULTIFAMILY) AFFORDABLE HOUSING PROPOSAL FOR A PROPERTY LOCATED AT 6 6TH STREET SOUTH.**

JOURNAL OF COMMISSION PROCEEDINGS
July 18, 2023

Mayor Pro Tempore Wolff declared the public hearing open and reported that Elmore Roberts Community Partners, LLC is applying for Low-Income Housing Tax Credits from the Montana Board of Housing to finance the preservation of Elmore Roberts located at 6th Street South as affordable housing and is planning to apply for the exemption from real property taxes available to qualifying low-income housing tax credit projects under Montana Code Annotated § 16-6-221 in connection with the projects.

Ryan Kucich, Community Preservation Partners, aka CPP Housing, Senior Housing Development Manager, reported that CPP Housing is an affordable housing developer based out of Irvine, California. CPP Housing does affordable housing, preservation work all across the country.

Mr. Kucich reviewed and discussed the following PowerPoint slides:

Elmore Roberts
Great Falls, Montana

Elmore Roberts Community Partners, LLC

Presented by: CPP
 Ryan Kucich
 CPP Housing
 Senior Development Manager

Presentation slides by:
 Kasey J. Buss of
 Bjornson Jones Mungas, PLLC
 Missoula, Montana

Elmore Roberts
6th Street South, Great Falls, MT

* **Elmore Roberts** is a 60-unit multifamily housing project, located in Great Falls. The property was originally built in 1917 and has been admitted to the National Register of Historic Places administered by the National Park Service. The property currently operates under two HUD Mod-Rent contracts, which are set to expire in the next six months. The project consists of a historic 4-story building with three residential floors, a commercial ground floor, and an underground basement. The project has on-site laundry facilities, a playground, uncovered open parking, and a leasing office.

Elmore Roberts

Location:
 6th Street South
 Great Falls, MT

Preservation of Current Housing

Financing rehabilitation:
 - Low-income housing tax credit (LIHTC) through Montana Board of Housing
 - Federal and state income tax credits
 - Miss. Code Ann. §15-6-221 project tax exemption for qualifying affordable housing

Affordability restrictions:
 - Current HUD Mod-Rent contracts expire in December 2023 and January 2024
 - Repeating a 20-year RHP contract
 - Rent cap income restrictions through a 20% CHLIRA for a maximum of 20 years
 - Targeting income at 30%AMI

Unit Type	Total Units
18' Club	30
30'	30

Rehabilitation and Updates

- Energy efficient upgrades, such as energy star rated appliances, LED lighting fixtures, low VOC flooring and paint, low flow plumbing fixtures, and formaldehyde free cabinets and counters
- Entrance updates including new energy rated windows, gunit roof replacement, siding repair, and parking lot resurfacing
- Common area path ADA modifications
- Preservation of interior and exterior historical features, including preserving facade and original elevations

Community Housing Needs

Pursuant to the requirements for low-income housing tax credit financing and Montana Code Ann. § 15-6-221, the parties are holding a public hearing to solicit comment on whether the proposed projects meet a community housing need.

You are also encouraged to submit comments regarding the need for affordable multi-family rental housing in your area to:

Montana Board of Housing,
 PO Box 200528
 Helena, MT 59620-0528
 FAX (406) 841-2841

Questions?

Ryan Kucich
 CPP Housing
 17782 Sky Park Circle,
 Irvine, California 92614
 (714) 662-5565
 rkucich@cpp-housing.com

Sherrie Arey
 NeighborWorks Great Falls
 509 1st Ave South Great Falls, MT 59401
 (406) 216-3512
 sarey@nwgf.org

Kasey J. Buss
 Bjornson Jones Mungas, PLLC
 2809 Great Northern Loop, Suite 100
 Missoula, MT 59808
 (406) 721-8896
 kassy@bjornsonlaw.com

As part of the requirements related to such applications, Elmore Roberts Community Partners, LLC, is required to solicit public comment on whether the proposed qualifying low-income rental housing property meets a community housing need. This is the public’s opportunity to comment on the proposal to be forwarded with the application to the Board of Housing that funds these projects.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

Mayor Pro Tempore Wolff asked if the Commissioners had any questions of the presenter.

Hearing none, Mayor Pro Tempore Wolff asked if there were any comments from the public in support of the Elmore Roberts Community Partners, LLC project.

Casey More, NeighborWorks Great Falls Director of Real Estate Development, commented that the acquisition and development of the Elmore Roberts Apartments would be an exceptional project to continue the revitalization of downtown, and give a much-needed update to a historic building that provides homes that families can afford. If they lost the HUD contract, the apartment rent could go to market rate and would be detrimental to 60 families that call this building home. Discussions have been ongoing with Community Preservation Partners for several months and they have demonstrated a commitment to not only providing high quality housing, but also a robust supportive service program. NeighborWorks Great Falls is excited for the opportunity to be in partnership with the project and provide residents with a potential of financial and rental housing counseling and potential homebuyer opportunities for the future.

Kellie Pierce, Business Improvement District (BID) Executive Director, commented that this project is absolutely what the BID is looking for downtown, preserving the historic nature of buildings and providing housing. It is across the corner from another catalyst event, the Alluvion project, which she believes will be of great benefit to the residents in the Elmore Roberts property.

John Hubbard, City resident, commented the building is already full of people that cannot afford housing. He inquired what would happen with those people with regard to this project.

Mr. Kucich responded that the plan is to preserve the property with the goal of continuing to serve those residents who are already living in the property.

Brett Doney, GFDA, commented that this project is much needed and GFDA strongly favors the project. Preserving affordable housing is as important as creating affordable housing. CPP Housing is a great developer and partner of NeighborWorks Great Falls. GFDA has had discussions with the developer regarding renovating the ground floor and more potential for active use. The project ranks highly with the Montana Board of Housing.

Mayor Pro Tempore Wolff asked if there were any comments from the public in opposition to the Elmore Roberts Community Partners, LLC project.

Jeni Dodd, City resident, inquired if City residents would be paying more for City services to take on the tax break that the project developer would get.

There being no further comments, Mayor Pro Tempore Wolff closed the public hearing.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

18. BUSINESS IMPROVEMENT DISTRICT (BID) FY 2024 BUDGET AND WORK PLAN.

Mayor Pro Tempore Wolff declared the public hearing open and asked for presentation of the agenda report.

BID Executive Director Kellie Pierce, 318 Central Avenue, reported that the BID restructured its staffing at the beginning of FY 23. She became full-time for the BID, and a part-time employee for the Great Falls Downtown Association was hired. The BID had a positive year continuing its beautification efforts downtown, and continues to provide snow removal, trash removal, flowers, tree maintenance, and public art opportunities within the BID boundaries.

The BID plays a vital role in the Downtown Safety Alliance working to implement the Safety Plan that was adopted by the Commission. Milestones have been met in the plan, and the BID continues to work with City partners to keep downtown as safe as possible for all.

The BID will be hosting ArtsFest Montana's 5th annual mural installation festival August 11-18, 2023. Eight artists are involved this year installing at least seven new murals downtown. Information on a reception to honor the artists on August 17th will be forthcoming.

At the end of July-early August timeframe, the BID will be implementing a new walking-style downtown mural tour that will be guided by a QR code or text-to-talk guide.

The BID is continuing its wayfinding efforts and secured a grant from the Montana Main Street Program for \$50,000 with a \$10,000 match to install kiosks downtown and around the City.

The BID continues to offer business incentive grants to assist business and property owners with projects downtown. Two grants will be paid out in August totaling approximately \$70,000 for the new Gibson Hotel project and a real estate office that opened downtown.

Mayor Pro Tempore Wolff asked if the Commissioners had any questions of BID Executive Director Pierce or staff.

Hearing none, Mayor Pro Tempore Wolff asked if there were any comments from the public in support of the BID FY 24 Budget and Work Plan.

Kali Jean Tuckerman, City resident, commented that Great Falls Montana Tourism supports the work of the BID.

Mayor Pro Tempore Wolff asked if there were any comments from the public in opposition to the BID FY 24 Budget and Work Plan.

Hearing none, Mayor Pro Tempore Wolff closed the public hearing and asked the will of the Commission.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

Commissioner Hinebauch moved, seconded by Commissioner Tryon, that the City Commission accept the FY 24 Business Improvement District Budget and Work Plan.

Mayor Pro Tempore Wolff asked if there was any discussion amongst the Commissioners.

Commissioner McKenney commented that he talks about the revitalization of downtown at every opportunity. The entrepreneurs that have made an investment downtown have done an amazing job. He attends BID meetings and sees the work the BID Board does to bring life to downtown Great Falls that helps everyone.

Mayor Pro Tempore Wolff noted her support of the downtown artists. She thanked all of the private investors that have made downtown what it is.

There being no further discussion, Mayor Pro Tempore Wolff called for the vote.

Motion carried 4-0.

19. TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) 1307 – 2023/2024 BUDGET AND WORK PLAN.

Mayor Pro Tempore Wolff declared the public hearing open and asked for presentation of the agenda report.

Great Falls Montana Tourism Sales Director Kali Jean Tuckerman, 15 Overlook Drive, reported on the highlights of the TBID's FY 24 budget and work plan:

- The tourism cycle is stabilizing after 2020's decline, 2021's demand burst, and the worker housing boom in 2022.
- Projecting is still tricky as early 2023 indications of room demand had Great Falls down against 2022 and 2019, which is still holding as our benchmark for full recovery.
- Most projections are based on maintaining the growth seen over 2021 and 2022. TBID is starting to see an uptick in room demand in July.
- TBID is engaged with consultants in the most robust tourism planning the community has ever seen.
- No major shifts were made in TBID strategies for FY 24. A few new key initiatives were added to leverage other people and businesses in established audiences. Some of these efforts include adding a welcome video to the City kiosk system already in Great Falls lodging properties, placing materials with outgoing orders of Great Falls made products, and resident influencers sharing about their home with their audiences.
- Leisure traveler target markets were trimmed to get more impressions with a smaller set of markets for a greater impact.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

- TBID is testing more group market efforts to fill smaller properties throughout the year and implemented a collaborative “Get in Great Falls” effort where TBID sends lead options to smaller venues in attempts for them to land additional business for themselves.
- Strategic reserves will be used to support new flights into Great Falls. This assumes that the airlines are settling in after the disruption of their industry due to COVID-19 and ready to make growth decisions.
- A modest increase is projected in TBID assessment collections mostly due to the reduction of 30+ day stays that prevailed the market in 2022. People staying 30+ days in a lodging property are exempt from paying the TBID assessment and the lodging facility use and sales tax.

Ms. Tuckerman concluded that the numbers in the budget are projected. The actual numbers will be finalized in August and then levied by the Commission based on actual assessments collected. She reminded everyone that the TBID assessments are collected by lodging properties from transient travelers.

Mayor Pro Tempore Wolff asked if there were any comments from the public in support of or opposition to the TBID FY 24 Budget and Work Plan.

Hearing none, Mayor Pro Tempore Wolff closed the public hearing and asked the will of the Commission.

Commissioner Hinebauch moved, seconded by Commissioner McKenney, that the City Commission accept the 2023/2024 Tourism Business Improvement District Budget and Work Plan.

Mayor Pro Tempore Wolff asked if there was any discussion amongst the Commissioners.

Hearing none, Mayor Pro Tempore Wolff called for the vote.

Motion carried 4-0.

Mayor Pro Tempore Wolff called a recess at 8:37 pm and called the meeting back to order at 8:44 pm.

20. RESOLUTION 10510, INTENT TO INCREASE PROPERTY TAX.

21. RESOLUTION 10509, ANNUAL BUDGET RESOLUTION.

Mayor Pro Tempore Wolff declared the combined public hearing open and asked for presentation of the agenda reports.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

City Manager Greg Doyon reviewed and discussed the first four PowerPoint slides. These two items are obviously interconnected. The budget process is a cycle that continues to perpetuate. The City Manager’s budget proposal was transmitted to the Commission at the Work Session on July 5, 2023. The proposed budget then becomes the Commission’s budget to determine how to proceed with the recommended expenditure and revenue proposals.



City Manager’s Proposed Fiscal Year 2024 Budget

July 18, 2023 Budget Hearing

18



Budget Process

February	• Commission Goals/Priorities Retreat
April	• Departments begin developing requested budgets
May	• Departments submit final budget requests
June	• 11 meetings between City Manager and Departments on requested budgets • Proposed budget is balanced and finalized • General Fund Proposed Budget presented at Work Session – 6/20/23
July	• Proposed Budget presented at Work Session – 7/5/23 • Set the Public Hearing – 7/5/23 • Public Hearing – 7/18/23
August	• Certified Taxable Values received from MT Department of Revenue • Adopt annual tax levies – 8/15/23
September	• Preparation of final budget document

19



Commission Goals/Priorities February 2023

- Focus efforts on passing the Public Safety Levy
 - Town Hall Meeting(s)
 - Plan B education pertaining to the consequences if the Public Safety Levy doesn't pass to address the needs
- Complete an updated Growth Plan/Policy
 - Align development review process and City Code with the Growth Policy
- Get Great Falls Legislative Delegation on board and representing the interests of the Great Falls community and keeping decisions local
- Engage more with the public at meetings, when appropriate, and keeping management of the meeting and time
- Explore use of TIF funds for City properties in the TIF District, such as an evidence building or seating for the auditorium
- Explore the proposition of creating a Transit District that includes the incorporated city limits and expands as new properties are annexed, and expanding routes
- Municipal Court relocation after determining if Children’s Museum is a possibility
- Cascade County agreements
- Energy savings report

20



FY2024 Budget Drivers

- Fund Balance level
- Covid Recovery - revenues
- Union Negotiations – not yet settled
- Health Insurance 8% increase
- Electricity Costs 200% increase
- Additional support staff in Legal Department
- Legislative Session – lost revenue
- 2nd judge – part-time to full-time
- Cops Grant – 2nd year

21



General Fund Recap

	FY2024 Budget	
Total Revenues	\$ 37,973,437	3.6% Increase
Total Expenditures	\$ 38,971,501	2.9% Increase
Revenue Over (Under) Expenditures **	\$ (998,064)	
Unreserved Fund Balance	\$ 6,845,473	17.6%
Reserved Balance (CARES) - Beginning	\$ 3,379,830	
Balance FY2024 Budget	\$ (998,064)	
Reserved Balance (CARES) – Ending	\$ 2,381,766	6.1%
Total Fund Balance	\$ 9,227,239	23.7%

** Anticipating another deficit in FY2025

22



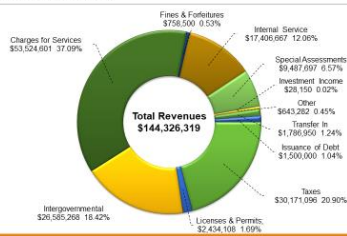
City-Wide Revenues

	FY2024 Budget	% of Total	Change from Prior Year
Taxes	\$30,171,096	20.90%	10.60%
Licenses & Permits	\$2,434,108	1.69%	- 0.69%
Intergovernmental	\$26,585,268	18.42%	70.69%
Charges for Services	\$53,524,601	37.00%	2.58%
Fines & Forfeitures	\$758,500	0.53%	- 8.78%
Internal Service	\$17,406,667	12.06%	6.40%
Special Assessments	\$9,487,697	6.57%	10.52%
Investment Income	\$28,150	0.02%	36.32%
Other	\$643,282	0.45%	6.23%
Transfer In	\$1,786,950	1.24%	- 28.48%
Issuance of Debt	\$1,500,000	1.04%	
Total Revenues	\$144,326,319	100.00%	14.20%

23



City-Wide Revenues



24



Projected General Fund Revenue Increases

General Fund Revenue	FY2021 Actual Increases	FY2022 Actual Increases	FY2023 Actual Increases	FY2024 Proposed Increases	Annual Household Impact
Newly Taxable Property	\$ 119,488	\$ 366,758	\$ 352,303	\$ 400,000 <i>Amount not known until August</i>	
Inflationary Factor	\$ 0	\$ 0	\$ 641,691 <i>Used carry-over mills from prior 2 years</i>	\$ 451,129	\$100,000: \$5.90 \$200,000: \$11.79 \$300,000: \$17.69
Permissive Medical Levy	\$ 0	\$ 0	\$ 247,551	\$ 353,042	\$100,000: \$4.61 \$200,000: \$9.23 \$300,000: \$13.84
Entitlement Share	\$ 284,198	\$ 130,271	\$ 294,004	\$ 311,446	
Total Revenue Increase	\$ 403,686	\$ 497,029	\$ 1,535,549	\$ 1,515,617	

25

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023



Proposed Rate, Assessment and Fee Adjustments



Department	Division	FY2024 Adjustment	Previous Adjustment	
Fee	Admin	Animal Shelter	various	2015: various
Fee	Admin	Civic Center Events	various	2021: various
Fee	Planning & CD	Planning Fees	various	2014: various
Fee	Planning & CD	Permit Fees	8%	2018: - 2.6%
Fee	Park & Rec	Parks, Rec Center, Multi-Sports	various	2019: various
Assessment	Park & Rec	Natural Resources – Boulevard	6%	2023: 12%
Assessment	Park & Rec	Portage Meadows	5%	2023: 5%
Assessment	Park & Rec	Park Maintenance District	0%	NA
Assessment	Public Works	Street Maintenance	10%	2016: 10%
Assessment	Special Districts	Street Lighting Districts	14%	2023: 4.5%

26

Proposed Rate, Assessment and Fee Adjustments

Division	FY2024 Adjustment	Previous Adjustment	
Utility	Water	10% (Spring 2024)	Spring 2023: 10%
Utility	Sewer	10% (Spring 2024)	Spring 2023: 10%
Utility	Storm Drain	10% (Spring 2024)	Spring 2023: 10%
Utility	Sanitation	10% (Spring 2024)	Spring 2023: 10%

Utility increases are affected by regulatory compliance, cost of chemicals and other supplies, and capital investments into the systems

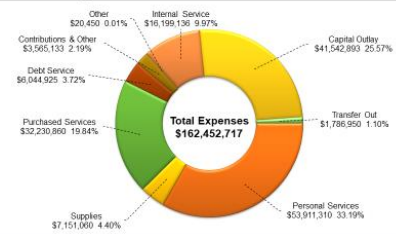
27

City-Wide Expenses

	FY2024		Change from Prior Year
	Budget	% of Total	
Personal Services	\$53,911,310	33.19%	3.38%
Supplies	\$7,151,060	4.40%	2.69%
Purchased Services	\$32,230,860	19.84%	11.68%
Debt Service	\$6,044,925	3.72%	- 7.91%
Contributions & Other	\$3,565,133	2.19%	58.91%
Other	\$20,450	0.01%	0.00%
Internal Service	\$16,199,136	9.97%	5.61%
Capital Outlay	\$41,542,893	25.57%	21.53%
Transfer Out	\$1,786,950	1.10%	- 28.48%
Total Expenses	\$162,452,717	100.00%	9.16%

28

City-Wide Expenses



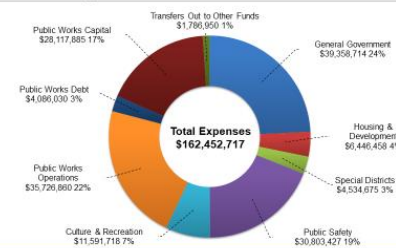
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30

City-Wide Expenses



31

Next Steps

- Annual budget hearing tonight
- Adopt Annual Tax Levy August 15th

32

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

Finance Director Melissa Kinzler reviewed and discussed the remainder of the PowerPoint slides, and reported that the general fund proposed budget is \$37.9 million in total revenue, which is a 3.6% increase, and \$38.9 million in expenditures, which is a 2.9% increase. The expenditures are only a 2.9% increase because of the decrease in general fund support to other funds of \$679,000 which includes a \$350,000 decrease in the Library support, \$63,000 decrease in engineering support, and a \$265,000 decrease in Civic Center events support. There is a budget shortfall of \$998,064. It is proposed that the reserve CARES money be used to balance the general fund budget. This would allow the general fund time to recover from fiscal years 2021 and 2022 when the Commission did not take the inflationary factor or increase the permissive medical levy. Staff is anticipating another deficit in fiscal year 2025 in the general fund.

The total proposed citywide revenue is \$144.3 million dollars. An increase in taxes is the first voted Library mill of 70 mills or \$1.7 million dollars, and the proposed permissive medical levy and inflationary increase in the general fund. License fees decreased due to changes made by the 2023 State Legislature.

The percentage of 18.42% is intergovernmental revenue. The substantial increase in this category was due to the House Bill 632. The City will be receiving COVID money in the sewer and storm drain fund that will amount to about \$9.5 million for construction projects.

An issuance of debt was not proposed last year. This year \$1.5 million additional debt is proposed in the water fund.

The City of Great Falls has a limited ability to increase property tax revenue because of a statewide property tax cap. Newly taxable property is one of those exceptions. The 21-year average of new tax revenue raised by newly taxable property for the City of Great Falls is \$400,000 per year. That amount was estimated for newly taxable property in the general fund budget.

Newly taxable property does not include increases in taxable valuations. Pursuant to Mont. Code Ann. § 15-10-420 the City is authorized to increase property tax revenue by one-half of the average rate of inflation for the prior three years. The City did not raise the inflationary factor in fiscal years 2021 and 2022 due to the COVID-19 pandemic and aiding in the economic recovery for taxpayers. The City did utilize the full inflationary factor including carryover mills in fiscal year 2023.

The Montana Department of Administration's allowable inflationary factor adjustment is 2.46% that amounts to \$451,129 of additional revenue for the general fund that is in the proposed FY 24 budget.

State statute also allows property tax levy increases for premium contributions for group benefits. The City is proposing an additional 1.92% property tax levy increase for health insurance premiums. This would provide \$353,042 in additional revenue to help offset the health insurance increases in the general fund. Health insurance premiums increase 8% for the fiscal year 2024. Additional action by the City Commission will be needed in the future to set the increased mill levy. This will occur after the City receives its certified taxable valuation from the Montana Department of Revenue in

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

August. The total impact on a \$200,000 home would be \$21.02, a \$300,000 home would be \$31.53, and a \$600,000 home would be \$63.06 per year.

The fiscal impact of not authorizing the increase for inflation or the permissive medical levy to the general fund would result in a revenue shortfall of \$804,171 for the proposed FY 2024 budget.

As part of the budget process, all revenues were reviewed. Revenues have not been adjusted in many years. Projected revenues are not keeping up with the increased operations, expenses, and capital needs. All of the proposed revenue increases will require separate City Commission action with public hearings.

The proposed budget for Citywide expenses is \$162.4 million dollars. Personnel is 33.19% of this budget and includes salaries and benefits. Seventy-five percent of the City's workforce is under a union contract and are currently being negotiated. In the proposed budget is an estimated 5% increase in salaries. Purchased services is 19.8% of the budget. Some increases for the purchased services were electricity and maintenance agreements. Debt service was decreased. Internal service funds did increase and that was due to general liability and property insurance and an added FTE to the IT division.

There is an additional capital outlay attributed for the ARPA projects and Public Works capital outlay. Transfers out were reduced because the transfers in were reduced, due to reduced general fund subsidies.

The requested action is that the Commission conduct the public hearings on the Intent to Increase Property Tax and Annual Budget Resolution. It is anticipated the annual tax levy will be adopted August 15, 2023.

Mayor Pro Tempore Wolff asked if the Commissioners had any questions of staff.

Hearing none, Mayor Pro Tempore Wolff asked if there were any comments from the public in support of Resolution 10510.

Brett Doney, GFDA, referred to the Frontier Institute analysis of budget growth in Montana of the six largest cities from 2014 through 2023. Frontier Institute compared budget growth to population growth and inflation growth. Kalispell's budget has increased 103.9% over and above inflation and population growth, Bozeman's has grown 98.6%, Missoula's has grown 81.8%, Billings has increased 49.7%, and Helena has increased 31.3%. Great Falls' budget, compared to population and inflation, is actually a negative 21.7%.

Amongst our peers of the six major cities in Montana, Great Falls has kept the line on the budget, far more than the other communities have. From a fiscal prudent standpoint, it seems Great Falls is doing a much better job than our peer cities around the state.

Mayor Pro Tempore Wolff asked if there were any comments from the public in opposition to Resolution 10510.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

Jeni Dodd, City resident, commented that the City needs to be more transparent about special levies that are being proposed or already passed that are not figured into the allowable inflation adjustment. She is glad the Legislature put a cap on things, but opined it didn't really help here, adding the only people who can afford to live here anymore are the poor who get their housing needs covered and the rich who are largely unaffected by this.

Ms. Dodd was supportive of use of COVID funds to cover the shortfall in the budget, and opposed the \$3 million dollars awarded to non-governmental organizations.

She inquired where people are supposed to get extra money to pay more taxes as many city taxpayers have not gotten raises, many businesses are not able to raise fees for services or they would lose their businesses, and many city taxpayers are on fixed incomes.

Adding employees, like at the Library, is a significant cost to the City. She opined the City does not look at the long-term effect of paying more employees. She suggested the City needs a hiring freeze and a wage freeze. She opined the Commission and City Manager lack the courage to stand up to the largest union in the State of Montana and say enough is enough.

Ms. Dodd concluded that she is middle class and she cannot afford this and is actively looking to leave Great Falls because of this.

John Hubbard, City resident, commented that he heard on the noon news today that the legislators gave \$300 million of the marijuana tax revenues to behavioral management. He initially thought the money would help this community. He needs to win the lottery because he cannot afford to live here either. Mr. Hubbard concluded that he starts with tar and feathers, and then goes to picking trees.

There being no one further to address the Commission, Mayor Pro Tempore Wolff closed the public hearing and asked the will of the Commission.

Commissioner Hinebauch moved, seconded by Commissioner Tryon, that the City Commission adopt Resolution 10510 – Intent to Increase Property Tax.

Mayor Pro Tempore Wolff asked if there was any discussion amongst the Commissioners.

Commissioner Tryon commented that when he came on the City Commission three and a half years ago, he was skeptical and thought the Commission needed to do a lot more to rein in spending until he really got a close look and been involved in this City budget process. Without a doubt, Great Falls has the most fiscally conservative City Manager and Finance Director in the State of Montana.

Commissioner Tryon suggested that everyone look at the study done by the Frontier Institute. It is remarkable how fiscally conservative this City Manager and Finance Director and staff have been over the last 10 years in keeping the Great Falls budget much lower than every other major city in Montana.

He commented that he does not like paying taxes any more than anybody else does. But, the Commission has a responsibility and is legally required to pass a balanced budget.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

In response to some public comments he concluded that before people go off on how horrible your city government is and how irresponsible they are, financially and fiscally, to do a little research. He is proud of the work of the City Manager and Finance staff.

There being no further discussion, Mayor Pro Tempore Wolff called for the vote.

Motion carried 4-0.

Finance Director Melissa Kinzler noted that her presentation on Agenda Item 21 was combined with Agenda Item 20. She did not have anything further to add.

Mayor Pro Tempore Wolff asked if the Commissioners had any further questions of staff.

Hearing none, Mayor Pro Tempore Wolff opened the public hearing and asked if there were any comments from the public in support of or in opposition to Resolution 10509 – Annual Budget Resolution.

Jim Duffy, City resident, submitted written comments that it appears to him the Commission has backed itself into a corner with this budget and has starved the City budget for revenue by not taking allowable property tax increases and approving a very large tax abatement.

Mayor Pro Tempore Wolff closed the public hearing and the will of the Commission.

Commissioner Hinebauch moved, seconded by Commissioner Tryon, that the City Commission adopt Resolution 10509 – Annual Budget Resolution.

Mayor Pro Tempore Wolff asked if there was any discussion amongst the Commissioners.

Hearing none, Mayor Pro Tempore Wolff called for the vote.

Motion carried 4-0.

OLD BUSINESS

NEW BUSINESS

22. LABOR AGREEMENT BETWEEN THE CITY OF GREAT FALLS AND THE PLUMBERS AND PIPEFITTERS LOCAL NO. 41.

Human Resources Director Gaye McInerney reported that City staff recommends that the Commission approve the Labor Agreement between the Plumbers and Pipefitters Local No. 41, which consists of 4 employees across three departments – Park and Recreation, Planning and Community Development, and Public Works.

The negotiating teams including the following individuals:

Representing the City:
Gaye McInerney, HR Director

Representing the Plumbers & Pipefitters:
Tyler Anderson, P&CD Building Inspector

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

Charles Anderson, Deputy City Manager
Melissa Kinzler, Finance Director
David Dennis, City Attorney
Jake McKenna, Utilities Systems Manager
Jason Fladland, Water Treatment Branch Manager

Paul Bramblett, Water Plant
Ray Cook, P&CD Building Inspector
Zach Reeves, Park & Recreation
Brandon Shaw, Plumbers Business Mgr.

Key items to the Agreement that were bargained:

Article 2 – Term of the Agreement

Two years – July 1, 2023 through June 30, 2025

Article 9 – Hours of Work and Overtime

Holidays will not be counted in computing the initial forty (40) hour workweek for overtime purposes.

Article 12 – Probationary and Evaluation Periods

All newly hired or rehired employees will serve a twelve- (12) month probationary period upon being hired by the City.

Article 20 – Meals

The meal reimbursement amount was increased to \$15.00 per meal.

Schedule A:

FY24 and FY25 reflect a 5 percent increase for each year.

The financial impact for a 5% COLA increase in FY24 and FY 25 is a total amount of \$35,613.

The City Commission may choose not to ratify the proposed labor agreement and direct the City Manager to reconvene and continue the collective bargaining process.

The Plumbers and Pipefitters members voted to ratify the contract language on June 21, 2023.

Mayor Pro Tempore Wolff asked if the Commissioners had any questions of staff. Hearing none, Mayor Pro Tempore Wolff asked the will of the Commission.

Commissioner Hinebauch moved, seconded by Commissioner Tryon, that the City Commission approve the labor agreement between the City of Great Falls and the Plumbers and Pipefitters Local No. 41.

Mayor Pro Tempore Wolff asked if there were any comments from the public. Hearing none, Mayor Pro Tempore Wolff asked if there was any discussion amongst the Commissioners.

Commissioner McKenney noted that the Commission is not involved in the negotiations and only sees the final results. He inquired if there were any pushbacks during negotiations.

Director McInerney responded, specific to this contract, pushback pertained to wages.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

There being no further discussion, Mayor Pro Tempore Wolff called for the vote.

Motion carried 4-0.

**23. MONANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
AMERICAN RESCUE PLAN ACT GRANT AGREEMENTS.**

Grant Administrator Tom Hazen reported that the ratification of these agreements is the final step in securing \$6,566,786.00 in Federal American Rescue Plan Act (ARPA) funds for essential Public Works Infrastructure projects.

The State of Montana used approximately \$400 million of ARPA funds received from the federal government to establish funding opportunities for Montana Local, County, and Tribal Governments to finance Water and Sewer Infrastructure projects. The amount of \$250 million was allocated to Competitive Grants. An additional \$150 million was apportioned to governments on calculated basis in the form of a Minimum Allocation Grant (MAG). The City received a total of \$8,505,069.00 through the MAG program.

The City of Great Falls submitted applications to both Competitive Grant cycles and was awarded funding for the Lift Station Number One and Supplemental Force Main (Lift Station 1) and Central Ave/3rd St Storm Water Drainage projects. Once notified of these Competitive awards, representatives of the City Public Works and Finance Departments met in May of 2022 to identify projects for MAG utilization. Two primary uses were identified.

First, MAG funds would be requested as reimbursement for past eligible expenses. The MAG funding offers a relatively unique opportunity in that expenditures dating back to March 3, 2021 may be considered eligible expenses. Great Falls elected to identify eligible expenses, request reimbursement, and ultimately use those reimbursements to bolster current Water, Storm, and Sewer Infrastructure projects. Between the months of May and August 2022, Public Works and Finance identified 14 projects, collected expenses, collated documentation, and prepared five applications for reimbursement totaling \$2,712,183.00.

Additionally, it was decided that a significant portion of the MAG funds would be used to satisfy the local match funding requirement of the Competitive Grant awards. The Central Ave/3rd St Drainage Project Competitive and MAG agreements were previously approved by the Commission at the May 2nd meeting. Tonight, the Commission is considering an agreement that would secure \$3,854,585.00 in MAG funding as match for the Lift Station Number and Supplemental Force Main project. This sum, combined with the \$2 million received through the Competitive Award program, would satisfy a significant portion of the \$16 million budget of this project.

The \$6.5 million dollars secured through these awards would be allocated to the Sewer, Storm, or Water funds in the City's budget. Those allocations would supplement funds which are primarily underwritten by utility payments submitted by Great Falls residents. Supplementing these payments with State ARPA funds would increase Public Works ability to fund current or initiate new projects in the near future.

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

With these considerations in mind, Staff recommends that this Commission ratify the agreements for reimbursement of \$2,712,183.00 in eligible Sewer, Storm, Waste Water Treatment Plant, Water, Mains, and Water Treatment Plant Improvement projects. Further, staff recommends the ratification of the agreement for \$3,854,585.00 in match funding through MAG for the Lift Station Number One and Supplemental Force Main project.

Commissioner Tryon moved, seconded by Commissioner McKenney, that the City Commission approve ratification of the Montana Department of Natural Resources and Conservation American Rescue Plan Act Grant Agreements securing \$6,566,768.00 in American Rescue Plan Act funds allocated to the City of Great Falls by the State of Montana through House Bill 632.

Mayor Pro Tempore Wolff asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Pro Tempore Wolff called for the vote.

Motion carried 4-0.

ORDINANCES/RESOLUTIONS

CITY COMMISSION

24. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

None.

25. COMMISSION INITIATIVES.

Commissioner Tryon requested that staff amend Resolution 10235 for Commission consideration at the next meeting pursuant to the earlier discussion on Agenda Item 5.

The Commission was advised there are 18 boards and commissions and over 90 City appointees.

Manager Doyon commented that staff will review the process to make sure that things are consistent or if could be streamlined. He cautioned the Commission, if their intent was to interview everybody for every board and commission position, to get their schedules ready because there are some boards and commissions that are and difficult to fill and the positions are open for several months. Prior Commissions have recognized that.

Commissioner Tryon clarified that the only amendment he is requesting is that all open board positions be advertised, regardless if there is a standing board member eligible for reappointment.

Mayor Pro Tempore Wolff inquired if the Commission would interview people if multiple applications were received.

Manager Doyon responded that, historically, the Commission has conducted interviews with the Airport Authority. It is up to the Commission. The Commission receives the applications and, if

JOURNAL OF COMMISSION PROCEEDINGS

July 18, 2023

there is consensus, can make a motion for appointment. If not, the Commission could choose to interview them.

There were no dissenting comments from the other members of the Commission.

ADJOURNMENT

There being no further business to come before the Commission, **Commissioner Tryon moved, seconded by Mayor Pro Tempore Wolff, to adjourn the regular meeting of July 18, 2023, at 9:37 pm.**

Motion carried 4-0.

Mayor Pro Tempore Susan Wolff

City Clerk Lisa Kunz

Minutes Approved: August 1, 2023