

**JOURNAL OF COMMISSION PROCEEDINGS**  
**September 5, 2023**

Regular City Commission Meeting

Mayor Kelly presiding  
Commission Chambers Room 206

**CALL TO ORDER:** 7:00 PM

**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 Director Chris Gaub; Planning and Community Development Director Brock Cherry; Finance Director Melissa Kinzler; Park and Recreation Director Steve Herring; City Attorney David Dennis; Police Chief Jeff Newton; and City Clerk Lisa Kunz.

**AGENDA APPROVAL:** City Manager Greg Doyon noted a typographical error in the agenda wording for item 18. 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:** Commissioner McKenney noted that development fees set forth in agenda item 14 could affect his line of work as a realtor, but there is no personal gain or loss. He intends to participate and vote on said item.

**PROCLAMATIONS:** Vets4Vets Month [September 2023]. The 18<sup>th</sup> Annual Stand Down event is scheduled for September 15-16, 2023. Angela Jakkala, Saint Vincent de Paul, announced that a soft opening for Grace Haven, a transitional home for female Veterans, is scheduled for September 18<sup>th</sup>, and a grand opening for Veterans Day at 1220 17<sup>th</sup> Street South.

**MILITARY UPDATES**

1. **MISCELLANEOUS REPORTS AND ANNOUNCEMENTS FROM MALMSTROM AIR FORCE BASE (MAFB).**

Colonel Barry Little, 341<sup>st</sup> Missile Wing Commander, provided the following updates:

- At the conclusion of the 900 samples for the Missile Community Cancer Study assessments of air, water, and soil quality at each of the 45 missile alert facilities, 832 found no detected radon polychlorinated biphenyls (PCBs) and 64 samples detected PCBs were below the standard set by the EPA for mitigation. There were no airborne PCBs detected in any of the tests at any of the locations. Mitigation has been completed on two surface reports at MAFB. There are no known links to any cancers at this point. From his perspective, he is meeting his commitment to the airmen, which is to provide a clean, safe environment and to be completely open and transparent about the actions that MAFB is taking and what we know about the hazards. The Air Force involved the School of Aerospace Medicine to conduct a wide-ranging study in order to build that data set that is needed in order to understand what they are seeing in this missile community cancer phenomenon. He shares

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the concerns the airmen and families have about potential risks to their health, and he is committed to a clean and safe environment for every one of the airmen at MAFB.

- On August 24-25, 2023, AP news reporter Tara Copp visited all of the places that MAFB operates and was provided complete access to everything, consistent with his desire to be open and transparent with the airmen and the public.
- Gen. Bussiere, Commander of Global Strike Command, will be visiting MAFB on October 3-5, 2023, coinciding with the groundbreaking for the weapons generation facility. This is the first of many projects that will go on at MAFB related to bringing Sentinel online, and it will replace the existing weapons storage area.
- A town hall meeting is scheduled tomorrow night at MAFB.
- An annual 911-remembrance ceremony will be held on September 11, 2023 on the base, and there will be a silent walk at 7:45 a.m.
- An annual POW MIA remembrance ceremony will be held on September 15, 2023.
- The Red Eagle Medical exercise will be held September 21, 2023, that will include triage decontamination treatment and patient tracking.
- A 48-hour integrated response plan exercise involving the community will be held in October in Fergus County.
- The Air Force ball will be held September 23, 2023 at the Heritage Inn.

2.

### PETITIONS AND COMMUNICATIONS

**Jeni Dodd**, City resident, read and provided a prepared statement alleging missing meeting minutes of various boards and commissions from the City's website.

**Josh Butterfly**, City resident, discussed handouts of various accusations pertaining to his involvement with utilizing the kitchen and participating in the Bingo program at the Senior Center.

**Julie Bass**, City resident, commented that about 30-days ago a petition was filed alleging that the language in the Library mill levy ballot was misleading with wrong numbers and believes the Library levy should be voided and brought back to a ballot in 2024. The taxable value of the homes went up and the City is already getting money on the levies that have passed. She suggested that the Commission dismiss the City public safety levy, ask Benefis about building the City a fire station, and the nonprofits to pitch in to help the people that pay taxes.

**Terry Bjork**, City resident, submitted written comments pertaining to the approach road to the Anaconda Hills Golf Course parking lot being full of potholes, and gaps in the screening on the north side of the driving range.

### NEIGHBORHOOD COUNCILS

3. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

None.

### BOARDS AND COMMISSIONS

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**4. APPOINTMENT TO THE AUDIT COMMITTEE.**

Mayor Kelly reported that Shanna Christopherson was appointed to the audit committee for a partial term on May 17, 2022 through June 30 of this year. She was eligible for an additional term but she decided to step down from the committee. The City advertised for the vacancy on the City's website and local media. Three applications were received.

The audit committee, including members Mayor Kelly and Commissioner McKenney, met on August 16, 2023. After having conducted interviews of two of the three candidates, it was the consensus of the committee to recommend Ms. Jewitt for the appointment. The third candidate, Zac Griffin, was unable to make the meeting and be interviewed.

**Mayor Kelly moved, seconded by Commissioner McKenney, that the City Commission appoint Christine Jewett to the Audit Committee to fill a private citizen position for a three-year term through June 30, 2026.**

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

**Jeni Dodd**, City resident, commented that the Commission should hold to its past insistence that applicants have a financial background for appointment to the Audit Committee. She quoted from minutes wherein prior Audit Committee appointments were made and members of the Commission noting that the Audit Committee should collectively possess technical expertise in accounting, auditing and financial reporting to fulfill duties.

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

Commissioner Wolff commented that, to make sure the process was consistent, the Commission recently decided that all of the board openings be advertised, people go through an interview process, and then any recommendations that come to the Commission from those boards and commissions would just be one component of the decision that the Commission makes.

Commissioner McKenney commented that the Commission is looking for citizen participation and certainly are hopeful that applicants have some expertise on what the committee is about. With regard to the Audit Committee, the applicant does not necessarily have to be a CPA, but be able to read and understand a balance sheet, a financial statement, and has some experience to ask the right questions and see red flags.

Commissioner Tryon pointed out that recommendations for appointments do not come from staff, but from the boards that have openings. He reviews applications in detail and looks at whether or not an applicant would be a fit for that particular board. He does not base his approval or disapproval of somebody who applies for a board solely on a recommendation from that board or committee, but does put a lot of credence in those recommendations because those are the people that deal with the issues every time they meet.

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

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Motion carried 5-0.

**5. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

None.

**CITY MANAGER**

**6. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

City Manager Greg Doyon announced newly sworn in Great Falls Police Department officers were Jamie Carr, Logan Reiman, Aaron Staman, and Patrick Paraiso.

He also reviewed occupancy numbers and improved statistics of the Great Falls Animal Shelter pertaining to adoptions and return to home rates.

**CONSENT AGENDA.**

7. Minutes, August 15, 2023, City Commission Meeting.
8. Total Expenditures of \$6,812,956 for the period of August 3, 2023 through August 23, 2023, to include claims over \$25,000, in the amount of \$5,795,385.
9. Grants List.
10. Approve the Agreement for Mutual Aid for suppression of fires and the management of other emergency incidents between Great Falls Fire Rescue and Montana Air National Guard (MTANG) Fire Department.
11. Approve the final payment for the Missouri River North Bank Stabilization Phase 1, in the amount of \$34,386.44 to Winkler Excavating, Inc., and \$347.34 to the State Miscellaneous Tax Fund and authorize the City Manager to execute the necessary documents and to make the payments.  
**OF 1693.0**
12. Award the bid of \$179,257.00 to United Electric, LLC for the Public Works Backup Generator & Electrical Upgrades and authorize the City Manager to execute the contract documents. **OF 1733.9**

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

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.

**PUBLIC HEARINGS**

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**13. RESOLUTION 10519, TO ESTABLISH ENGINEERING DIVISION REVIEW FEES FOR THE PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT AND THE PUBLIC WORKS DEPARTMENT.**

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

Public Works Director Chris Gaub reported that engineering review fees and construction inspections are done to ensure public infrastructure is designed and installed correctly, is compliant with federal and state codes, and City design standards for long-term sustainability and maintenance.

At the August 1, 2023, Commission meeting, staff requested that the Commission set a public hearing for Resolution 10519. Since then, Public Works and Planning and Community Development hosted two open house meetings. Staff received good feedback from the development and design community that centered on having predictability and fairness in the fees. Staff responded to that feedback by modifying the fee proposal as follows:

- (1) When a third party engineer is used to assist in engineering division review, the City will pay the third party costs, not the applicant. The applicant will pay the City at the City's adopted fee rates. The Department does not intend to use third party review except in exceptional circumstances.
- (2) The engineer's estimate used in calculating the infrastructure review fee was modified to account for the significant cost escalations in public infrastructure projects since 2020. Adoption of Resolution 10519 would modify the way that four fees are assessed to cover the review of development applications for engineering compliance and conformance with the City's standards. The four fees would cover the cost to review private projects that include some or all of the following - a private storm water report, private utility service lines and improvements in the right-of-way for a single family residential building permit, private utility service lines and improvements in the right-of-way for a commercial building permit, and improvements in the right-of-way associated with a parking lot permit.

Currently, through the Planning and Community Development Department, project applications are reviewed by a third party engineering consulting firm. That firm tracks their hours spent and applies their hourly rates, typically in the \$150 to \$180 per hour range. This cost is then passed directly to the project applicant. Adoption of 10519 would change that process as follows - starting October 5, 2023, the Public Works Engineering Division would perform most of these four types of reviews in house. The proposed review fees are based on the estimated average time it takes to complete the review multiplied by our engineering division's rate at \$108 per hour. This rate is less than the third party consultant's hourly rate. The City will retain the consultant in the event of staff shortages, unforeseen spikes in development applications or regulatory requirements.

He will also continue to validate the Engineering Division's review fees during the annual budget process to insure cost recovery for these fees is covered by developers instead of ratepayers and that the new permit fees continue to be fair to the development community.

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The requested action is that the City Commission conduct the public hearing and adopt Resolution 10519.

Mayor Kelly asked if the Commissioners had any questions of staff. Hearing none, Mayor Kelly asked if there were any comments from the public in support of Resolution 10519.

**Brad Talcott**, 2801 4<sup>th</sup> Avenue North, commented that he understands costs go up and wished his costs only went up 8% the last couple of years. He is in favor of the City covering its costs to make the whole budget work.

Mayor Kelly asked if there were any comments from the public in opposition to Resolution 10519.

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

**Commissioner Wolff moved, seconded by Commissioner Hinebauch, that the City Commission adopt Resolution 10519, establishing Engineering Division Review Fees for the Planning and Community Development Department and the Public Works Department.**

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

Commissioner Tryon commented that one of the components he likes in Resolutions 10519, 10521 and 10522 is the predictability factor. The Commission members hear constantly from the development community that predictability is the most important aspect of this process. He encouraged staff to pursue specific, identifiable ways to help mitigate the costs to private developers, such as removing a tree requirement as an example, to make it more affordable for them to do business here so they don't go elsewhere.

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

Motion carried 5-0.

**14. RESOLUTION 10521, TO AMEND PLANNING AND COMMUNITY DEVELOPMENT LAND DEVELOPMENT APPLICATION FEES IN THE CITY OF GREAT FALLS.**

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

Planning and Community Development Director Brock Cherry reported that during his interview process, he was never told that when he met the development community the first thing he would be bringing them was increases in fees. He expressed gratitude to the development community for being patient, pragmatic, and coming to the table with a sense of collaboration to find a way to make things work.

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What makes it difficult for a locality is the obligation to the taxpayers that their property taxes are not overly subsidizing development. He pointed out that this item, as well as the engineering fees, are living breathing items, and will not be set on a shelf and not looked at again and again. The fees will be reevaluated with actual data that will be compiled on an annual basis. As of now, staff has determined fees in order to balance the budget and insure that the services provided are adequately being paid for.

To determine Land Use Development fees, staff took a hard look at the full burden cost of staff to review and process these items. Essentially, some projects were certainly outliers that staff time was not adequately being compensated for. Thus, staff reached a determination when comparing our fees with other regions in the area. In order to be competitive and still do right by Great Falls' taxpayers, there would need to be certain increases as set forth in the agenda packet.

One thing that has accelerated the reasoning of why these items needed to be discussed today is due to the State Legislature. New legislation prohibits the City from collecting certain dollars when it comes to licensing that staff believes will result in a potential revenue loss of approximately \$70,000.

Planning Division staff recognizes that for the past couple of years the division has been subsidized by the General Fund and understands this is unsustainable. To rectify this, Planning Division staff will be providing more value to the development community by being project managers of all of their applications and assuring that staff is being clear, concise, and as expedient as possible. Doing so will allow the Department to use building division fees to help make up for these shortfalls. Even with the proposed increase in fees, the Planning Division still has existing shortfalls. Staff will continue to look at processes to see where the fat can be trimmed and where they can be more expedient to provide further value to the developer.

Fees have not been raised since 2014. A lot has happened with inflation. In order to pay for growth, staff recommends the proposed fees be approved.

Mayor Kelly asked if the Commissioners had any questions of staff. Hearing none, Mayor Kelly asked if there were any comments from the public in support of Resolution 10521.

**Brad Talcott**, 2801 4<sup>th</sup> Avenue North, commented that he understands costs go up and this request is representative of that.

Mayor Kelly asked if there were any comments from the public in opposition to Resolution 10521.

**Katie Hanning**, on behalf of the Home Builders Association, 327 2<sup>nd</sup> Street South, commented that the Association advocates for affordable housing. The Association opposes Resolution 10521 and 10522 due to: (1) price increases of any type are passed down to the consumer. The Association would welcome working with City staff to reduce other requirements, such as landscaping; (2) these increases will continue to make housing unattainable for many residents; and (3) the lack of

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collaboration between City staff and the building industry regarding these Resolutions before the Commission tonight. She concluded that she would hope that the dialogue going forward would stop the Association from having to oppose these fee resolutions.

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

**Commissioner Hinebauch moved, seconded by Commissioner Wolff, that the City Commission adopt Resolution 10521.**

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

Commissioner McKenney discussed the history of gaming and how it came to be regulated by the Gambling Control Division. The Gambling Control Division went to the leaders of the industry, and the leaders went out and talked to all of the people that had machines. It took many months of negotiation.

His point is that the regulators reached out to the industry long before they made a decision and the industry got on board. That was true collaboration. He is not seeing that here. He is seeing that the industry came in at the last minute, had a couple of quick meetings and called it collaboration. He is not against the fees, but thinks a better job could have been done collaborating with the development community further in advance. He is going to vote no because of the process.

Mayor Kelly commented that there has been an ongoing dialogue with the development community for at least 10 years that he is aware of. He has attended many development meetings where it got to the point that there was so much objection, all the planning that was in place was suspended. This is chapter 18 of a book that has been in the writing for at least 10 years. Yes, we ought to be collaborative as early as possible. But, in his opinion, this situation is the final resolution to a conversation that has not happened effectively since 2014.

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

Motion carried 4-1 (Commissioner McKenney dissenting).

15. **RESOLUTION 10522, TO RAISE PERMIT FEES FOR BUILDING, PLUMBING, MECHANICAL, ELECTRICAL AND OTHER RELATED PERMIT PROCESSES BY EIGHT PERCENT (8%) IN THE CITY OF GREAT FALLS.**

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



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Planning and Community Development Director Brock Cherry reported that this proposed increase in fees is somewhat distinct from the land use development fees. The last time fees were increased was in 2014. However, in 2018, a resolution was adopted to reduce fees by 5% across the board per State legislation that required surplus in the Building Fund go towards a reduction. Considering the 5% reduction, the proposed fee increases in Resolution 10522 results in an increase of only 3% over the last nine years. He does hear the partners in the development community, and knows that these are costs that get passed on to the consumers. As someone who has recently purchased a house, he recognizes that Great Falls desperately needs more supply.

Mayor Kelly asked if the Commissioners had any questions of staff. Hearing none, Mayor Kelly asked if there were any comments from the public in support of Resolution 10522.

**Brad Talcott**, 2801 4<sup>th</sup> Avenue North, commented that these fees are quoted and predictable and he understands the increases in costs and fees. Having said that, these are not the costs he worries about as a developer. What he does worry about is that there are gray areas and the challenge is that certain costs that are not readily apparent to staff as they make their decisions cost developers a lot of money. He thinks the City is missing out on potential projects in the City of Great Falls because of the unpredictability of staff decisions made without developer participation. As he sees those decisions being made, he thinks opportunities for people to invest in this community are missed. In his opinion, the tax base is not what it could be because of missed opportunity.

Mayor Kelly asked if there were any comments from the public in opposition to Resolution 10522.

On behalf of the Home Builders Association, 327 2<sup>nd</sup> Street South, see **Katie Hanning's** comments in Agenda Item 14.

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

**Commissioner Wolff moved, seconded by Commissioner Tryon, that the City Commission adopt Resolution 10522.**

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

Commissioner Wolff thinks there is probably some room to ask staff to look at the landscaping or similar requirements. Her concern, as far as the landscaping requirements, is that our water supply is not what it used to be and it is only going to continue to be less. Lawns have to be maintained and watered and are using resources that maybe we should not be using. The fertilizer that is being applied to lawns to keep them green runs off and ultimately ends up in the water stream.

Commissioner Tryon commented that Mr. Talcott's point is well taken. The City needs to continue the effort that it has made over the past 10 years with the development review process and to make sure everybody is brought to the table for collaboration. He noted that 10 to 12 years ago he, as the Government Affairs Director for the Great Falls Association of Realtors, and Katie Hanning with

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the Home Builders Association, worked to put together a collaborative effort with City staff and all of the developers involved to start solving some of these issues. He thinks the City has come a long way, but has a long way to go. He suggested renewing that effort, bringing some new energy to the development review process, and making sure the City is doing everything it can do for development in this community.

Manager Doyon commented that what the Commission is hearing tonight is often technically complicated, and it is a bit more than what may appear as is being represented. Some standards are required by the federal government or state government. The City has come a long way in development review in the last five to eight years and it is a process that staff recognizes will need to continue to be looked at. But, he also hears many things about how easy it is to do business in Great Falls as well, compared to what is happening in some other communities. It is not that staff is unaware of the concerns of the development community. Frankly, he does not know that there is anything that the City could do that would ultimately satisfy developers short of not requiring any standards. If the Commission has some ideas regarding regulations that are apparently onerous, then the Commission could ask staff to amend the code.

Commissioner McKenney commented that tremendous strides with Planning and Community Development have been made. He also hears positive comments about the changes. He suggested not taking the foot off the gas because capital will go where it can be best used. Entrepreneurs and developers do not need us. They can go elsewhere. We need them.

The City has to make every effort to be a business friendly and safe community. Reputable developers do not want unsafe buildings. The City has to do its job in the proper way, but the developer certainly can be part of the collaboration. The City's collaboration efforts have room for improvement. He suggested starting much earlier and bringing these folks to the table because they want what we want - development in our community.

Commissioner Hinebauch commented that even though the development review process has improved and we are getting good feedback, does not mean we are going to stop improving. He does not really care about the comparisons to other communities. He wants it to be the best here.

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

Motion carried 5-0.

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**16. RESOLUTION 10527, APPROVING A REQUEST FROM THE GREAT FALLS PLANNING & COMMUNITY DEVELOPMENT DEPARTMENT APPLICATION TO USE UP TO \$31,052 OF DOWNTOWN URBAN RENEWAL DISTRICT TAX INCREMENT FINANCING (TIF) FUNDS FOR THE UPGRADE OF NON-COMPLIANT PEDESTRIAN CURB RAMPS ON CENTRAL AVENUE FROM PARK DRIVE TO 6TH STREET.**

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

Planning and Community Development Director Brock Cherry reported that this item is a request to use Downtown Urban Renewal Tax Increment Financing for upgrades to downtown infrastructure. Central Avenue has a large concentration of pedestrian travel and a lot of businesses on Central. Unfortunately, certain curb ramps do not meet current ADA standards, especially for those who are visually impaired. This project conforms to the Downtown Urban Renewal Plan.

Senior Transportation Planner Andrew Finch was successful in obtaining federal tax dollars that require a match, which is 13.42% of all of the acquired funds. The total project cost is approximately \$230,000. The City's portion, via these TIF District funds, will provide approximately \$30,000 to meet our obligation to those who need these updated crosswalks, and is also great for the Great Falls' taxpayers.

Mayor Kelly asked if the Commissioners had any questions of staff. Hearing none, Mayor Kelly asked if there were any comments from the public in support of or in opposition to Resolution 10527. There being no one to address the Commission, Mayor Kelly closed the public hearing and asked the will of the Commission.

**Commissioner Wolff moved, seconded by Commissioners Hinebauch and Tryon, that the City Commission adopt Resolution 10527.**

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

Hearing none, Mayor Kelly called for the vote.

Motion carried 5-0.

**17. RESOLUTION 10526, APPROVING A REQUEST FROM THE GREAT FALLS PUBLIC WORKS DEPARTMENT TO USE UP TO \$243,000 OF DOWNTOWN URBAN RENEWAL DISTRICT TAX INCREMENT FINANCING (TIF) FUNDS FOR THE INSTALLATION OF STREETScape AND COMPLIANT PEDESTRIAN CURB RAMPS ON THE EAST SIDE OF 7TH ST. S. FROM CENTRAL AVE. TO 1ST AVE. S. (OF 1786.2)**

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

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Planning and Community Development Director Brock Cherry reported that the City does not have federal grant monies available for this project. Page 151 of the agenda packet portrays the current condition of the pedestrian walkway in desperate need of repair and seriously dilapidated. In order to bring this project to matching streetscape fruition, a private entity (Sip 'N Dip) agreed to go without two parking spaces for improvements to the pedestrian walkway and for the entire downtown area.

The Downtown Development Partnership supports this project and the use of TIF funds.

Mayor Kelly asked if the Commissioners had any questions of staff.

Commissioner Tryon inquired about the negative balance in the TIF fund.

Deputy Planning and Community Development Director Tom Micuda explained that a couple of approved TIF projects are long term. One example is the Downtown Storm Water project that has a \$2.5 million dollar allocation is a five-year commitment. In those cases, the funds will be dipped into over a series of years. The agenda report sets forth the whole commitment of allocating the \$2.5 million dollars, but not spending it today. The numbers will be juggled every year depending on what requests the Commission approves.

Mayor Kelly asked if there were any comments from the public in support of or in opposition to Resolution 10526.

**Rick Wolke**, City resident, received confirmation that it is a one-block streetscape project that will cost \$243,000. This streetscape is a more expensive paver system than a standard concrete sidewalk, with installation of period lighting and electrical, and tree grates and trees. He also commented that he wished the City were not so easy as a government to spend money that will be coming down the pike eventually, and to be more prudent on spending money that the City doesn't have in the bank.

Deputy Planning and Community Director Micuda responded that the City of Great Falls gets two guaranteed increment payments into that TIF District in June and December. The payment the City expects to receive at the end of this year will probably be double the value of this project. Based on the timing, he also pointed out that this project will most likely start next year. In conclusion, there will be money in the bank and there already is money in the bank to juggle project timing.

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

**Commissioner Wolff moved, seconded by Commissioner Hinebauch, that the City Commission adopt Resolution 10526.**

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**

**18. INDOOR AQUATICS AND RECREATION CENTER, CHANGE ORDER NO. 4 [OF 1770].**

Park and Recreation Director Steve Herrig reported that this item is Change Order No. 4 for Commission consideration. Staff has recommended that the Commission approve this Change Order in the amount of \$588,052.50 for the Indoor Aquatics and Recreation Center. Within the Change Order are six items:

1. Ridgefold Gym Divider	\$ 2,973.59
2. Site & Excavation work	\$ (2,188.12)
3. Alternate #7 – Acoustic Panels	\$143,629.55
4. Tile work in pool areas	\$ 2,055.01
5. Alternate #20 – Kiddie Frog Slide	\$ 47,754.12
6. Alternate #3 – Splash Pad	<u>\$393,828.35</u>
<b>Total</b>	<u>\$588,052.50</u>

Change Order No. 4 will be funded through dollars raised through the formal fundraising campaign.

LPW Architecture and TD&H Engineering also recommended approval of these changes.

**Commissioner Hinebauch moved, seconded by Commissioner Wolff, that the City Commission approve Change Order No. 4 to Swank Enterprises in the amount of \$588,052.50 for the Indoor Aquatics and Recreation Center, and authorize the City Manager to execute the change order documents.**

Mayor Kelly asked if there any comments from the public.

**Jeni Dodd**, City resident, commented that the City is paying monthly for a firm to raise money and requested a report on how much money has been raised to date. This change order puts the Center's construction costs more than half a million dollars above the original budget. She previously commented the City was not being realistic about projected costs, and thought the City was misleading the public because everyone was aware of inflation created by the federal administration. She also noted prior controversy pertaining to LPW Architecture and TD&H Engineering providing the preliminary design pro bono for the City's grant application submittal to the federal government, and then being awarded the Aquatic Center contract.

Director Herrig responded that a press conference would be held September 13<sup>th</sup> at 4:00 PM at the new Recreation Center to let the public know the status of the fund raising efforts.

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

Commissioner Tryon referred to the fiscal impact on page 154 of the agenda packet and inquired about the possibility of supplemental funds from the Park District or other Park and Recreation funds being referred to.

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Director Herrig responded that when this project started two years ago, the decision was made to push back year four projects from the Park District so those funds, in addition to the fundraising, would be there to use if needed. To date, those funds have not been needed. Currently, seven of the alternates have already been included, along with the large slide that was added with the base bid. If the fundraising efforts continue going in the same path, then those Park District dollars will go back into other Park District projects.

Commissioner Hinebauch inquired if it was correct that the reason the consultant is holding off on the announcement on fundraising efforts is due to the nature of some of the sponsorships.

Director Herrig responded in the affirmative and added that a committee was established that has approached businesses and folks to see what their threshold was to be partners in this project. The press conference will be to publicly acknowledge some of those donors and announce their fundraising efforts. Those efforts have already resulted in a little over half of what the City set for a goal.

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

Motion carried 5-0.

## NEW BUSINESS

### ORDINANCES/RESOLUTIONS

19. **RESOLUTION 10525, REVISING CITY OF GREAT FALLS ANIMAL SHELTER RELATED SERVICE FEES.**

Deputy City Manager Chuck Anderson reported that this item is a request to set a public hearing on Resolution 10525 for September 19, 2023. Resolution 10525 would revise a number of established fees collected by the City of Great Falls Animal Shelter. The fee changes reflect increasing costs of providing services to the public while recouping some of the costs to provide those services. This resolution also includes restructuring animal registration to move away from an annual licensing to a lifetime only licensing which has been found to increase participation nationwide.

Resolution 10125, adopted in 2015, specifically addressed three categories of cremation services. The Animal Shelter converted to a hydro incinerator in 2021; individual cremations were not a cost effective method to continue. Currently, a segregated cremation process does return animals' ashes to their owners in a memorial type package. The remaining animal related licensing and service fees have not been adjusted since the adoption of Resolution 10049 in 2014.

Fee increases were discussed during the FY24 budget process and were supported by the City Manager and the Finance Department.

**Commissioner Hinebauch moved, seconded by Commissioner Tryon, that the City Commission set a public hearing on Resolution 10525 for September 19, 2023.**

Mayor Kelly asked if there any comments from the public.

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**Jeni Dodd**, City resident, inquired if the Animal Shelter received any Covid funds to help with operations, and if the Animal Shelter accepts animals from the county. She suggested trying to get Cascade County to take some responsibility to help with the Animal Shelter funding.

Deputy City Manager Anderson responded that the Animal Shelter has submitted \$30,000 in receipts so far reimbursement with ARPA funds.

Cascade County does not currently provide any monetary support to the Animal Shelter. The Animal Shelter does not take animals from the county citizens, but does take them from the Cascade County Sheriff's Office. Part of the fee structure in Resolution 10525 includes a fee for the Sheriff's Office to pay for the cost of care.

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

Motion carried 5-0.

### 20. **RESOLUTION 10511, ANNUAL TAX LEVY.**

Finance Director Melissa Kinzler reported that the City Commission is required to fix an annual tax levy by setting mills to generate property tax revenues that will balance the General Fund budget and other levy supported funds. The City received its taxable valuation from the Montana Department of Revenue (MTDOR) on August 7, 2023. With this valuation, the City can now compute and set its annual mill levy.

The total mill levy for Tax Year 2023 (FY 2024) is 200.72 mills totaling \$26,457,995. This includes mills for the general levy (previously and newly taxable property), Permissive Medical Levy, the Great Falls Public Library mill levy, and the Soccer Park General Obligation Bond levy. Last year the City levied 214.05 mills totaling \$22,111,402. This is a reduction in mills of 13.33, even with an additional 15 mills for the Library.

This year's newly taxable property reported by the MTDOR will generate additional revenue of \$1,510,213. During the FY 2024 budget adoption process, the Finance Department projected the City's newly taxable property revenue would be \$400,000. The projection was based on a 22-year average of newly taxable property. No particular development project can be identified for this newly taxable property revenue. This additional revenue of \$1,110,213 not included in the FY 24 Adopted Budget will be used to offset any uncollected taxes throughout the year, offset any appeals or protests, and balance revenue and expenses in the General Fund. The FY 24 General Fund Budget was adopted with a shortfall of \$998,064 in expenses over revenue. CARES money was going to be used to balance the budget. But, this increased revenue would balance revenues and expenses of the General Fund for FY 24. Any excess revenue would contribute to the General Fund unreserved fund balance. The fund balance policy is 22% and the Adopted Budget projected ending fund balance is 17.6%.

The City anticipates property assessment appeals and protests which means the City will not definitively know how much of this new projected tax revenue will be available until those appeals and protests are processed. The City is aware of one appeal that has been settled. Since there was

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no taxing jurisdiction in Cascade County that had a change in taxable value of more than 1%, there was no need to recertify valuations from that appeal.

Included in the total levy of 200.72 mills are the following:

1.25 mills for the soccer park debt service payments. This will generate \$164,770 that will cover debt payments and expenses in the soccer park fund. This is an increase of \$2,500. This will be the last year for this mill levy.

30.06 mills for the permissive medical levy will generate \$3,962,345. This is an increase from last year of \$353,043.

17 mills for the Great Falls Public Library will generate \$2,240,872. On June 6, 2023 a levy of up to 70 mills, an increase of 15 mills, was approved by voters for the operation, maintenance and capital needs of the Great Falls Public Library. This is an increase of \$2,340,272.

152.41 mills for the City of Great Falls general purpose levy. This will generate \$20,090,008. This includes \$1,510,213 for the increase for newly taxable property and \$446,080 for the inflationary adjustment.

During the FY 2024 budget process, the City Commission adopted the budget utilizing the full inflationary factor available and the full permissive medical levy available. Based on the new certified mill value the increase to a property owner with a \$100,000 market value home is \$8.19/yr., \$300,000 market value home is \$24.56/yr., and \$600,000 market value home is \$49.10/yr. These amounts are less than what was presented during the budget process using last year's mill value. The increase for the 15 additional mills approved by the voters for the Great Falls Public Library Mill Levy is \$20.25 for a \$100,000 market value home, \$60.75 for a \$300,000 market value home, and \$121.50 for a \$600,000 market value home.

The FY 2024 Budget was adopted July 18, 2023. Setting the mill levy for Tax Year 2023 (FY 2024) is the last step in the adoption of the FY 2024 City of Great Falls Budget.

**Commissioner Hinebauch moved, seconded by Commissioner Wolff, that the City Commission adopt Resolution 10511.**

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

**Jeni Dodd**, City resident, commented that despite a Library budget shortfall of \$120,000 for FY 24, the Library asked for \$1.5 million per year forever with the Library levy. Adopted Resolution 10488 set forth: shall the City of Great Falls be authorized to amend Article I, Section 3 of the Charter of the City of Great Falls to levy up to 17 mills, an increase of 15 mills, raising approximately \$1,594,500 for the purpose of providing funds for the operation, maintenance and capital needs of the Great Falls public Library. Due to the increase in certified valuation by the Montana Department of Revenue, she suggested the City levy fewer mills now for the Library to raise the \$1.5 million dollars, rather than the maximum allowed 17 mills to raise \$2.2 million. To her, actions like this prove the City is untrustworthy.



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Ms. Dodd concluded that the taxpayers are already burdened by six TIF Districts in Great Falls that force property taxpayers to pick up the lost revenue due to the TIF Districts.

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

Commissioner Tryon noted that, generally speaking, if the valuation goes up citywide, the Commission could reduce the mills. Director Kinzler agreed. Commissioner Tryon commented that his understanding was the Library asked for an increase of \$1,594,000 to its already standing yearly budget. He inquired if the Library's annual budget, with the new 15 mills, would be \$2,240,000.

Director Kinzler responded that the Library asked for up to 17 mills, which is different than asking for a dollar amount. As the mill value goes up the Library could raise more money.

Commissioner Tryon commented that he understands the extra money is going to balance the General Fund.

Director Kinzler commented that it is important to remember that the extra money is from newly taxable property and not because of the valuation increases.

Commissioner Tryon noted the remarkable increase of newly taxable property.

Director Kinzler reported that it is actually the biggest increase in newly taxable property since the City started tracking it in 2002.

Commissioner Tryon commented that this is what the Commission has been talking about for years. It is proof that, if we want the tax burden for taxpayers to stabilize or go down, we need a bunch of newly taxable property. We need to grow the tax base. Director Kinzler agreed.

Commissioner Tryon inquired about reducing the number of mills for the Library.

Director Kinzler responded that is up to the Commission to set the Library mill. She suggested taking into consideration that this is the first year of the Library mill levy. The City only gets tax revenues in December and June. The extra revenue would be needed to cash flow operations and all those new things that the Library promised the taxpayers. Additionally, due to appeals and protests, the City may not receive all of the revenue that it is actually certifying. She suggested the Commission mill the most that it can for the Library and for the City of Great Falls.

Commissioner Tryon concluded that he understands it is a mill and not a dollar amount that the Library requested. But, he has an issue with this, and thinks that the Commission should be trying to get some relief for taxpayers.

Mayor Kelly clarified that the Library never wanted to get a windfall. The budgets that were presented were for a certain dollar amount. Because of the mill structure, the 17 mills will take care of not only those dollars but also establish the reserve funds that Melissa spoke about, which is an important first step. In the future, the Library may not have to levy the 17 mills. So, there is an opportunity to reduce the number of mills at every budget after considering the amount in the

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reserves, the amount being expended and where the Library is in the process of fulfilling the promises that it made to the people who voted for it.

Commissioner Hinebauch received confirmation that the Commission could never permanently reduce the Library's 17 mills. That would have to go to the voters. But, the Commission could choose to not take the full 17 mills.

Mayor Kelly commented that the budget is a yearlong process. Budget meetings are posted and the attendance is virtually zero by the public. The Commission seeks the public's participation. There is a budget calculator on the Finance webpage to see where all the money is currently budgeted to, to make adjustments if you do not like those priorities, and there is a place to write in ideas. He suggested coming to the budget meetings and delivering thoughts in person.

Commissioner Wolff commented that the Commission should be very excited about the fact that the community is growing. The tax base is growing and this year will be able to cover the deficit.

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

Motion carried 5-0.

## CITY COMMISSION

### 21. COMMISSION INITIATIVES.

None.

### 22. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Commissioner Hinebauch announced that there has been white supremacist graffiti around town the past 10 days. Staff is actively working on getting information on the people that are defacing public property and business property. It will not be tolerated in Great Falls.

Commissioner Wolff congratulated the Public Works Department for completion of the North Bank Stabilization of the River's Edge Trail project. She also thanked Director Gaub for a tour of the Wastewater Plant and to the Police Department for allowing her to be a ride along last Friday.

She also announced that all of the Neighborhood Councils would be holding meetings regarding the Public Safety Levy and encouraged attendance. The City will be hosting a Public Safety Town Hall meeting on September 18, 2023.

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**ADJOURNMENT**

There being no further business to come before the Commission, **Commissioner Tryon moved, seconded by Mayor Kelly, to adjourn the regular meeting of September 5, 2023, at 9:26 pm.**

Motion carried 5-0.

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Mayor Bob Kelly

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City Clerk Lisa Kunz

**Minutes Approved: September 19, 2023**