

JOURNAL OF COMMISSION WORK SESSION
November 19, 2024

City Commission Work Session
Civic Center, Gibson Room 212

Mayor Reeves presiding

CALL TO ORDER: 5:30 PM

CITY COMMISSION MEMBERS PRESENT: Cory Reeves, Rick Tryon, Joe McKenney, Susan Wolff and Shannon Wilson.

STAFF PRESENT: City Manager Greg Doyon; City Attorney David Dennis and Deputy City Attorney Rachel Taylor; Finance Director Melissa Kinzler and Grant Administrator Tom Hazen; Planning and Community Development Director Brock Cherry and Historic Preservation Officer Samantha Long; Fire Chief Jeremy Jones and Fire Marshal Mike McIntosh; and, Deputy City Clerk Darcy Dea.

PUBLIC COMMENT

Richard Irving, City resident, opined that the library has blown the Commission's nonpartisan cover during the recent City election campaigns with signs to pressure the Commission into renegotiating the library agreement in its favor. Commission members are elected representatives for the entire City and the library is a small-ingrown group that acts for its own good and not for the good of the general City. The library should be a source of information for the whole community, not a small part of it. With regard to the library remodel, Mr. Irving requested that the Commission not allow the first floor of the library to become a room for homeless people and social workers.

1. MONTANA STATE HISTORIC PRESERVATION GRANT AWARD TO UNION BETHEL AFRICAN METHODIST EPISCOPAL CHURCH

Finance Grant Administrator Tom Hazen reported that the State of Montana received funding through the Department of the Interior's National Park Service African American Civil Rights grant program on behalf of the Union Bethel African Methodist Episcopal Church. The award was approved for \$497,712 and a Grant Agreement was executed between the State of Montana and the church to be administered by the State Historical Preservation Office (SHPO). SHPO is required by Montana statute to recoup 25% of the total award of \$124,428 for administrative costs. It has been proposed that the City sign a contract with the State that would make the City a pass through participant in the program and pass 100% of the funding to Union Bethel to maximize the fiscal impact of the award. The Finance Department has proposed taking 10% of the award, which is equal to the non-negotiated amount that a recipient can receive for indirect costs under any federal award. SHPO has proposed another arrangement to cover the City's administrative costs that Ms. Hampton will discuss.

The City has acted as a pass through entity before, particularly, the Big Sky Economic Trust Fund and Community Development Block Grant (CDBG); however, those are slightly different from this instance. The City's role was required by State law before the award was issued for the Big Sky Economic Trust Fund and the City was the direct recipient of funds from the Federal Government for CDBG. The City could face potential exposure if Union Bethel does not perform in accordance with the award. The City

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experienced this in the past when B/E Aerospace had to return \$160,000 to the Big Sky Economic Trust Fund grant when it did not comply with the requirements of the award. The company had the funds to cover it; however, the City would have had to pay if B/E Aerospace had not. Non-Compliance of the award may affect the System for Award Management (SAM) registration status as well. All Federal awards require adherence to statutory standards such as wage and documentation retention requirements and procurement practices. The City must document that these standards are met and retain documentation for several years after the award has been completed. This award would be included on the City's Schedule of Financial Awards in its Annual Comprehensive Financial Report and be subject to review if selected by the City's auditors. Sub-Recipient awards have been subject to increased scrutiny lately. The process for submitting claims would take approximately 30 days. At this time, the City has not identified a source of internal funding. There is an element of precedent that needs to be considered and if the City considers this request, should it give thought to similar, future requests.

Participating telephonically, Kate Hampton, Community Preservation Coordinator, Montana State Historic Preservation Office, reported that the grant award from the National Park Service that State Historic Preservation Office received was approximately \$497,000. It is matched by another grant that Union Bethel Church received directly from the National Trust for Historic Preservation for approximately \$200,000 for brick repair of the exterior part of the church. The National Park Service funds comply with the Secretary of Interior standards for rehabilitation and would be used to construct a small addition on the back of the church, mechanical and electrical upgrades, as well as address Americans with Disabilities Act (ADA) issues. The plan for the building is continued use for the congregation, many social outreach, after school and education programs that would benefit the City and underserved population. The National Park Service concurred with the Montana State Historic Preservation Office that this would be a great project. The Montana State Historic Preservation Office would like to take advantage of the existing relationship with the City because it is a certified local government.

The Montana State Historic Preservation Office has that existing pass through grant where it provides \$6,000 annually to the local historic preservation program and could increase that pass through amount from another historic preservation fund over the course of the three-year grant to compensate the City for the expenses associated with the fiscal operations.

Mayor Reeves received clarification that the City is not financially liable for current pass through funds. The City's preservation program applies to the Montana State Historic Preservation Office annually to support local preservation projects in the City. Some of that funding goes towards supporting the City's Historic Preservation Officer's salary and designated special projects that are allowable under the Historic Preservation fund grant rules. The contract language could clarify that the responsibility for the grant's performance of this project lies with the Union Bethel Church and the Montana State Historic Preservation Office.

City Manager Greg Doyon explained that there is no doubt this is a worthy grant; however, he expressed concern that City staff would not have the capacity to take on a grant of this nature based on its requirements. He inquired if the 10% would cover City costs on top of all of its other responsibilities and if a \$6,000 potential increase would offset that sufficiently.

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Finance Grant Administrator Hazen responded that the City has the capacity to handle the grant. He, Finance Director Melissa Kinzler, ARPA Project Manager Sylvia Tarman and Historic Preservation Officer Sam Long would be able to handle the auditing, compliance and documentation requirements. It could have a potential impact on limiting the City's ability to pursue other grants or efforts on compliance with current grants. As far as the cost of the grant and whether the 10% would cover the City, it would be tight considering all of the staffing involved. The grant would potentially last up to three years given the complexity of the project. Those quality and real considerations should be taken into account.

City Manager Doyon received clarification from Ms. Hampton that the City has the expertise with federal grants and understands the importance of how to handle pass through. The church has small capacity administratively.

Ms. Hampton added that she could possibly do \$10,000 or \$12,000 annually in addition to the regular \$6,000 grant to compensate for a service that the City would be applying.

Commissioner McKenney commented that historic preservation is important; however, he is concerned about the precedence, liability and ongoing cost to the City.

Commissioner Wolff commented that she would need to be assured in writing that the City would not be liable for non-performance and the amount of additional money the City would receive to offset its expenses. The City would have difficulty in future grant applications if the performance is not handled correctly.

Commissioner Tryon inquired the following:

- if the \$497,712 would have to be paid upfront by the City and if it would go into an escrow account
- if the main reason SHPO wants to use the City as a pass through is to avoid the 25% administrative cost and if the City's administrative fee would be 10%.
- the outcome if the City does not agree to be a pass through
- the timeline for the Commission to make a decision

Finance Grant Administrator Hazen responded that it could be a one-time payment if for some reason they were able to get it all done in one big chunk; however, that is not likely because of the size and complexity of the project. There would not be a contractual or legal obligation to put the \$497,712 in an escrow account; however, the City would need to have the flexibility to cover costs associated with it. The State and Federal government and the award itself, which would require a significant amount of time from multiple City employees, would contractually involve the City in the administration. If the City turned down the administration of the award and decided not to pursue it, the responsibility would return to the State Historical Preservation Office and the default would be their 25% administration.

Ms. Hampton commented that the project would go out imminently and construction would commence in January or February 2025, ending approximately in May 2027. The intent of the Montana Historic Preservation Office would be to offer that increase to the City's annual grant through its other sources of

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funding to increase the City's regular annual pass through grant annually for the life of the grant, which would be \$10,000 essentially a year for over the course of the grant. It could be more if the City decided that it needed the 10% amount, \$50,000. The Montana Historic Preservation Office would propose to increase the City's pass through funds annually to offset that cost for the City. If the City turned down the administration of the award, the scope of the project would either be reduced or diminished. The negotiated rate this year with the National Park Service for this grant would be 23.5%, not 25%.

Commissioner Wilson received clarification that the pass through amount would be \$16,000 to \$18,000 annually to help the City cover the expenses and liability and cash flow are concerns.

City Manager Doyon explained that he could continue conversations with Ms. Hampton about contract options and work with City staff to look at the numbers again to ensure that the City is covering its expenses. However, if City staff is focused on this, something is going to give and the City would not have the ability to pursue other grant opportunities. Also, there have been other identified priorities that have been ongoing and not addressed.

Commissioner Wolff commented that she needed more thinking time and information from internal staff to assure that the City would not be liable for any of these things before she would be comfortable with this.

Mayor Reeves commented that this could be a dangerous road for the City to go down and he has serious reservations about the City being the pass through.

It was the consensus of the Commission that City Manager Doyon continue discussions with Ms. Hampton about a draft contract and prepare a financial impact summary with regard to the administration, liability and impact on the City's capacity.

2. OFFICIAL CODE OF THE CITY OF GREAT FALLS, TITLE 5 PROPOSED CHANGES AND UPDATES

Planning and Community Development Director Brock Cherry and Great Falls Fire Rescue (GFFR) Fire Marshal Mike McIntosh reviewed and discussed the following PowerPoint slides:

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 <p style="text-align: center;">City Commission Work Session Title 5 Proposed Changes & Updates 11/19/2024</p> <p style="text-align: center;"><i>Great Falls Fire Rescue</i> <i>Planning & Community Development Department</i> City Attorney</p> <hr/>	<p style="text-align: center;">The proposal can be broken down into two parts:</p> <ol style="list-style-type: none">1. Proposed Title 5 Amendments2. Updating Pertinent Fees 
<p style="text-align: center;">“Business License” Replaces “Safety Inspection Certificate”</p> <p>Current: Annual inspections of businesses for life & fire safety and zoning compliance are currently completed as a “Safety Inspection Certificate” (SIC).</p> <p>Proposed: A “Safety Inspection Certificate” will now be known as a “Business License”.</p> <p>Justification: Annual inspections play a crucial role beyond just life safety compliance. Many businesses and commercial entities do not fully grasp the importance or urgency of obtaining a “Safety Inspection Certificate.” As a result, a “Business License” is often perceived as a more significant and essential requirement.</p> 	<p style="text-align: center;">Creation of a “Mobile Food Vendor” definition</p> <p>Current: The current City Ordinance does not address “Mobile Food Vendors” (food trucks).</p> <p>Proposed: Add a Mobile Food Vendor Definition.</p> <p>Justification: Defining “Mobile Food Vendors” will include those individuals who must obtain a “Business License” to ensure compliance with regulations. Additionally, establishing this definition will facilitate the possible creation of an ordinance for “Mobile Food Vendors” in the future, should the City Commission choose to pursue it.</p> 
<p style="text-align: center;">Requires Cannabis Businesses to obtain a Business License</p> <p>Current: Current Cannabis Businesses are required to obtain a “Safety Inspection Certificate”. Currently Cannabis Businesses are not charged an additional fee as are businesses that sell alcohol and liquor.</p> <p>Proposed: Cannabis Businesses will explicitly be required to obtain a Business License and to possibly pay an additional fee similar to alcohol and liquor.</p> <p>Justification: Ensures that all cannabis businesses comply with local regulations and rules. An additional fee may be required, similar to alcohol and liquor businesses, if deemed appropriate by the City Commission.</p> 	<p style="text-align: center;">“Violation Penalty “ Language Cleaned Up</p> <p>Current: The current City Ordinance’s “Violation Penalty” is not straight forward.</p> <p>Proposed: There is a prescribed and explicit violation penalty for those operating a business without a business license, which consists of a violation being deemed a misdemeanor, or for those businesses who fail to renew their business licenses within the time frame listed in the Title.</p> <p>Justification: This new language cleans up existing language for those businesses who do not obtain a business license, and for those businesses that fail to renew their business license in a timely manner.</p> 

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<h3 style="text-align: center;">Elimination of Antiquated or Unenforceable Requirements</h3> <p>Current: The current City Ordinance includes special requirements for specific business types, including mechanically operated devices depicting sexual activities, Teen Night Licenses, Plumbing Contractor Licenses, Plumber Licenses, and Electrical Contracting.</p> <p>Proposed: Eliminate the following special licenses and associated special requirements for: Mechanically Operated Devices Depicting Sexual Activities, Teen Night Licenses, Plumbing Contractors Licenses, Plumber Licenses, and Electrical Contracting.</p> <p>Justification: The City either does not currently administer Mechanically Operated Devices Depicting Sexual Activities or Teen Night Licenses. The State of Montana does not allow the City to provide duplicative development contractor licensing, such as Plumbing Contractors Licenses, Plumber Licenses, and Electrical Contracting.</p>  <p style="text-align: center;">7</p>	<h3 style="text-align: center;">Codify “License Verification” Prior to the Issuance of Specialty Building Permits</h3> <p>Current: The State of Montana no longer allows for municipalities to require duplicative licensing for licenses administered at State level, in particular Plumbing Contractors Licenses, Plumber Licenses, and Electrical Contracting.</p> <p>Proposed: Require an annual “License Verification” of specialty development contractors</p> <p>Justification: Verifying that specialty contractors, such as plumbers and electricians, hold valid state-issued licenses is crucial for the City. This responsibility ensures that qualified individuals are performing work that directly impacts the health, safety, and well-being of residents. To fulfill this obligation, the City must review the annual state database, as well as check the required insurance and bonding information.</p>  <p style="text-align: center;">8</p>
<h3 style="text-align: center;">PCD Fee Resolution Updates</h3> <p>Current: The Business License Zoning Permit fee is covered under the same fee as a Zoning Permit for a Building Permit. The fee was previously \$100 and was increased to \$1,000 for building permits as part of Resolution 10521.</p> <p>Proposed: PCD Staff recommends separating the Business License Zoning Permit fee from the Zoning Permit fee that is applied for Building Permits.</p> <p>PCD Staff recommends a new fee of \$130 for a Business License Zoning Permit.</p> <p>Justification: PCD Staff determined a separate fee for a Business License Zoning Permit is necessary to cover the fully burdened cost of required staff time to complete the task, which is substantially less staff time than processing a Zoning Permit that is incurred as part of a building permit.</p>  <p style="text-align: center;">9</p>	<h3 style="text-align: center;">GFFR Fee Resolution Updates</h3> <p>Current: Fees were most recently updated as part of Resolution 10436 in 2022</p> <p>Proposed: GFFR Staff recommends increased fees listed within Fire Department Fee Schedule</p> <p>Justification: GFFR Staff determined the fees needed to be updated to reflect the current fully burdened cost of required staff time to administer each type of activity. The increases are based on the change in Western Consumer Price Index (CPI) provided by the Finance Department. See Attached fee schedule for reference.</p>  <p style="text-align: center;">10</p>

Fire Marshall McIntosh provided and discussed Title 5 and GFFR Proposed Fee Schedule handouts. He reported that this process began after changes were made at the 2023 legislative session with regard to how City licensure fees could be charged. The City had moved away from a business license to a Safety Inspection Certificate (SIC) because certain entities fell in a loophole where they did not have to get a business license. Since the City has been under a SIC, things have changed at the state level that all municipalities, with the exception of Kalispell, have an individual business license that they run through their municipality. Changing the name from Safety Inspection Certificate to Business License would provide clarity and ease for people looking to start a business, as well as City staff.

Mobile food vendors are required to have suppression systems in their mobile food units and be licensed to operate within the City. GFFR, Planning and Community Development and the Cascade County Health Department work collaboratively with regard to inspections and issuing a license.

City Manager Greg Doyon explained that the license verification process of specialty development contractors benefits a homeowner. It is frustrating that the City would have to do the additional step after the legislature changed the rules.

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After further discussion, it was the consensus of the Commission that City staff provide community outreach with regard to the proposed fees and proceed with the proposed amendment language.

DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon reported that the December 3, 2024 and December 17, 2024 work sessions will consist of a review of funds requiring attention.

ADJOURN

There being no further discussion, Mayor Reeves adjourned the informal work session of November 19, 2024 at 6:54 p.m.