

Regular Public Safety Advisory Committee Meeting Civic Center, 2 Park Drive South,
Gibson Room 212, Great Falls, MT 59401

CALL TO ORDER: PSAC Chair Sandra Guynn called the meeting to order at 6:00 P.M.

ROLL CALL: Public Safety Advisory Committee (PSAC) Members present: Sandra Guynn, Joe McKenney, Mike Parcel, Aaron Weissman, and George Nikolakakos. Member Wendy McKamey arrived at 6:13 p.m. Member Tony Rosales participated via Zoom.

Absent: PSAC Members Jeni Dodd and Shannon Wilson.

PSAC Chair Sandra Guynn explained that when Thad Reiste resigned the number of PSAC members went from 10 to nine members, and that the quorum number then changed to five members.

APPROVAL OF MEETING MINUTES FROM JULY 17, 2024

1. PSAC Member Parcel moved, seconded by PSAC Member Weissman, that the PSAC accept the Minutes of the July 17, 2024, PSAC Meeting as presented.

PSAC Chair Guynn asked if there were any comments from the public or discussion amongst the Committee. Hearing none, PSAC Chair Guynn called for the vote.

Motion carried – 6-0.

EDUCATIONAL PRESENTATIONS AND DISCUSSIONS

2. **LEGISLATIVE UPDATES FROM MEMBER NIKOLAKAKOS.**

PSAC Member Nikolakakos commented that, because things change on the fly during legislative sessions, he is going to speak broadly about the general direction he sees the legislature going and predictions on realistic outcomes. He is only one of 151 people it takes to pass a bill, so he is not making any promises.

The number one point is that there will almost certainly be some form of property tax relief that is going to relieve some pressure, and give a little bit of wiggle room to local government.

It is his personal belief that, ultimately, local government funding is more of a city and county issue. It is really a deal between the voters, their local officials, and how much spending versus services they receive. The State does set the rules of the game. So, city government gets to play on a monopoly board under State rules and the State sets the structure. The State does have a responsibility to make sure that the structure of the property tax system is functioning properly. The legislature funds State government overwhelmingly on income taxes and local government gets funded by property taxes by the rules that are set by the State. It will be tough because Montana is a very diverse state with a very diverse economy and very diverse populations. Anything that legislators do at the State level is one size fits all. So, what works in a county with \$20 million

dollar homes, or in a city with a significant middle class population like Great Falls, doesn't work well across the State.

One of the major problems that we have as a state is Montana is becoming a scenery state. A lot of people are coming from out of state and driving up our housing costs because it is a desirable place to live. It is kind of a double edged sword. We are seeing home values vastly increase, at the same time we are losing our industrial base. So, the pressure is really falling on homeowners.

The Governor recently issued a letter about \$675 of property tax rebates that will be going out. The State had a one-time surplus largely from income taxes and corporate taxes, and recognized that property taxes was a big problem and decided to give back that \$675. In that letter, the Governor also mentioned the homestead exemption. The property tax task force is lining up to push a homestead exemption. There will be movement, and something he would be supportive of, exempting a certain dollar amount from a primary residence property taxes, and shifting that burden over to second homes and out of state homeowners. This would also affect people renting because long term rentals would also get an exemption.

Additionally, there will be movement on circuit breaker programs that are targeted programs. He carried a bill last session that enhanced the property tax assistance program for low income seniors. They may look again at increasing those numbers. He is also interested in looking at the Montana elderly homeowner tax credit again. Those are the kinds of circuit breaker programs where the State can give that targeted relief to those who feel it the most and relieve some pressure.

There was some talks on Tax Increment Financing (TIF) that was a little bit controversial. There was a lot of movement last session on TIFs to almost eliminate them. He thinks TIFs can be used appropriately and in many places they are. There will probably be movement in curbing bonding and renewals of TIFs, perhaps putting a dollar cap on how much can be used, and some redefinitions of what blight means.

Legislators will start looking down into the weeds for people claiming agricultural exemptions for property taxes that, for example, is somebody's fancy resort ranch, but they have a little cherry orchard or something and are taking an Ag exemption.

More difficult will be things like giving local governments consumption tax options. That commission, interim budget revenue committee and individual legislators are working on that legislation. He has heard smart ideas about some kind of consumption taxes where they can look at pulling some money off of e-commerce and out of state spending, and can try to get that equalized throughout the property tax system. It will be extremely difficult to do with very high hurdles.

PSAC Member Nikolakakos concluded that the bottom line is there should be property tax relief and reform coming next legislative session that will relieve some of that pressure on homeowners, as we have experienced a once in a generation increase in home values. Hopefully, we can synchronize the work that we do at the next legislative session with some of the recommendations of the PSAC and get some positive solutions moving forward.

PSAC Chair Guynn asked if the members had any questions.

PSAC Member Weissman inquired if the first \$50,000 or \$75,000 homestead exemption for a primary residence would then decrease the amount of money that the City would be receiving.

PSAC Member Nikolakakos responded that a homestead exemption can be structured in many different ways. The property tax system, in many ways, is like a waterbed. If you push down on one area, it pushes up somewhere else. But, it should be revenue neutral.

PSAC Member Rosales inquired if there was anything upcoming pertaining to criminal justice reform.

PSAC Member Nikolakakos responded that a \$300 million dollar bill last session supported mental health infrastructure for future generations, and that money hasn't been spent. They are just starting to allocate that funding. The next Legislature will start to approve some of that funding for the Governor to authorize. What we should be seeing are things like crisis response teams being funded. With regard to criminal justice reform, he is personally a big fan of Treatment Courts, Veterans Treatment Courts and things like that. There always are a lot of criminal justice reform bills.

PSAC Chair Guynn commented that Chief Newton mentioned there were mandated reporting requirements being forced on law enforcements by the State, but didn't come with any funding. She inquired if he has heard any talk about trying to help out with unfunded mandates.

PSAC Member Nikolakakos responded that he would have to look at those individually on a case by case basis. Those are things that people can bring to legislators, as with the Police Chief or anybody else, especially as they are going into session so that they can be addressed on a case by case basis.

PSAC Chair Guynn inquired if local governments receive any funding from tourism dollars.

PSAC Member Nikolakakos clarified that local governments with resort taxes or local option taxes would receive those funds locally.

PSAC Member Weissman inquired if the bed tax funds went to the tourism authority for promoting tourism or does some of the bed tax go to municipalities in the state.

PSAC Member Nikolakakos commented that he is not really familiar with the bed tax.

PSAC Member McKinney clarified that when the bed tax was first introduced, it was just for marketing. It was a very low percentage, maybe 2%. Through the years, legislators have added a few things, but he does not know where the money goes.

LEGISLATIVE UPDATES FROM MEMBER MCKAMEY.

PSAC Member McKamey commented that, with any kind of tax involvement when you add or take away, funding somewhere else is being shifted. She thinks a scalpel as opposed to a sledgehammer should be used for teeny, incremental work. That is the challenge for taxes because when you shift something, the people that it is taken away from are thrilled, but it is going to end up someplace else and the other 50% of the people are not going to be happy. There is a sense in her mind of having a balance of being okay with a small swing, but not okay with a radical swing. She doesn't want big government, and she doesn't want huge property taxes. But, the legislators are the ones that set the property tax at the State level. The State Legislature puts the mechanisms in place, but are not the ones that determine the local budget. Legislators are in charge of balancing a State budget. They are not in charge of setting or balancing the local budget.

In response to what she, as a legislator, is going to do is she believes that treatment courts are really necessary, she believes that additional personnel are necessary, and she believes that additional facilities and equipment are necessary as long as there is a solid plan to implement substantial change with taxes increasing in a reasonable, progressive way over time. She thinks that is something that was said by the people who voted against the public safety levy. It was too much of an ask all at once. The question then to the residents is, how much are you willing to sacrifice in the way of safety? How much are you willing to sacrifice in the way of response times, for example?

Legislators deal with everything administratively. In other words, the Director of Administration reports to them and that director is over a variety of departments. The Director of Administration is considered the treasurer and signs all of the paychecks. The other thing that is reported to legislators is the pension system. There are a lot of people that have pensions that are overseen by the State. Administration, Veterans Affairs Committee, and legislators are contractually responsible to be sure that everyone has a secure pension. It is another area that will be affected by increased employment, for example. But, as far as she is concerned, it is a positive thing.

PSAC Chair Guynn asked if the members had any questions.

PSAC Member Weissman commented he was shocked to learn about the low amount of funds that the City is receiving from the marijuana tax. He inquired if there was any discussion about changing the formula so that some of the funding could come back to the City to ameliorate some of the impact of marijuana activities.

PSAC Member McKamey responded that there are always those discussions, whether they are going to change anything remains to be seen. To her knowledge, there is no legislation proposed in the works. One thing she is firm about is that those cities and counties that have to endure the results of THC sales need to be reimbursed and fortified for all of the results of the citizenry using THC. She is sure that there will be some type of legislation.

PSAC Member Nikolakakos added that the short answer is yes, there are things that can be done. It is legally difficult because of the fact that funding passed by an initiative. He is sure there will be discussions. He added that, sometimes what they have seen happen, for instance in California, is

that they can tax these things out of existence to where they are pushed into the black market as well.

3. PSAC MEMBER RECOMMENDATIONS AND DISCUSSION.

PSAC Chair Guynn announced that discussions will begin by topic, rather than each member's list of recommendations. She began by asking for discussion on TIFs and tax abatements.

PSAC Member Weissman thinks that TIFs and tax abatements are beyond the scope of this committee. He doesn't think the committee was tasked with rewriting the taxing procedures for the city or the county. His opinions, and what he has learned about TIFs and tax abatements, are not relevant for what the recommendations to the City should be regarding public safety. He does think that in some areas, citing West Bank, the use of TIF was great, and in some areas they may be inappropriate.

PSAC Member Parcel agreed with Weissman's comments to some extent, and added that future tax abatements should be revisited for properties that are protesting their current taxes.

PSAC Member Rosales suggested disbanding the use of TIFs or restrict the requirements for its use.

PSAC Member McKenney commented that TIF districts can be successful. He suggested considering a quicker escape clause or exit plan when using economic development tools.

PSAC Member Nikolakakos thinks consideration of TIFs and tax abatements are within the purview of this committee. There is funding being pushed off the table that maybe could be utilized differently. This is a good example of what he discussed earlier, local versus state. The State created this program and the structure and can be utilized by local governments. He does have personal issues when he sees TIF being used for projects that do not generate tax funds. He thinks there will be lawsuits in the near future that are going to involve districts being sued because they are short-changing schools, which is against some of the equalization findings by the courts, and from the Montana Constitution that requires quality education.

TIFs are a conversation that every local government should be having on a project by project basis, and talking about the long term implications. He agreed with PSAC Member Rosales' recommendation of doing a cost benefit analysis of TIF Districts.

At the state level, he expects to see a lot of movement to curtail the structure of TIFs or possibly eliminate them.

PSAC Member McKamey would like to see the scalpel approach on TIFs, and she likes the idea of an earlier exit plan. She likes TIFs and thinks they have done some good things and that it is a reasonable type of funding. She concluded the approach should be thinking about how the process affects people instead of just the process.

PSAC Chair Guynn is not in favor of doing away with TIFs or tax abatements. They are a way of thinking ahead and are an incentive that encourages economic development. She is in favor of the

City reevaluating how they are being used. Particularly, seeing a tax rebate given to one particular company that would have funded what court and legal have asked for. She also agreed with member Parcel that tax abatements given to companies that turn around and protest their taxes needs to be revisited.

PSAC Chair Guynn asked if there were any comments from the public regarding TIFs and tax abatements.

Al Rollo, City resident, agrees that there should be modifications. West Bank is a great area that is working. But, he sees the need for a limit on TIFs. He doesn't understand giving someone a tax abatement when they protest their taxes.

PSAC Chair Guynn asked for member comments pertaining to a survey/poll.

PSAC Member Parcel suggested a survey/poll/questionnaire definitely has to be done to get the views of the community before moving forward with this project.

PSAC Member McKamey agreed with Parcel, but not paying a professional company to conduct it. She suggested local people go where the people are, such as a Voyager's game, to get this word out and to get good input from the public. She doesn't think the people were paying close enough attention to know really what they were voting on. If they don't understand they vote no.

PSAC Member Nikolakakos thinks a formal survey and polling is a smart thing to do. He doesn't necessarily agree with member McKamey, noting that there was a lot of events for the public safety levy and there were very few people there. There were more people advocating for the public safety levy than there were people that showed up. Getting people's interest is a problem. He is skeptical of government paying for a formal poll. He suggested setting up a small volunteer commission comprised of civic, community and elected leaders to develop and evaluate a survey and take a one on one approach by taking that survey out to the community and literally knocking on doors.

PSAC Member Rosales agreed with Nikolakakos in that he does not recommend the cost of outsourcing the survey/poll. He suggested the issue the City had with the failed public safety levy was engaging the community via the current organization of neighborhood councils, which are intended to help facilitate that outreach, but weren't getting the community to the council meetings. He also suggested hitting the streets to be able to have engaging conversations with the largest community, obtaining feedback, and not doing it in formal settings.

PSAC Member McKenney commented that he has a different conclusion than members Nikolakakos and Rosales. He went through the public safety levy as a City Commissioner. They tried the outreach everywhere. The City asked the public to attend meetings by coming to us, and they didn't show up. No one showed up. There were more presenters than there were audience members. The challenge they had then is they didn't have any feedback necessarily from the community other than sound bites, such as "we can't afford it" or "we need a safe community." They were never able to delve into exactly what the community was thinking. The only way to be able to do that is to hire a professional firm. In his opinion, they need to bite the bullet on the cost

to get the information they need to make a proper decision if they go forward with a future levy or not.

PSAC Member Weissman agreed with member Nikolakakos. He put the survey in his list of recommendations, but did so with some reservation. If a survey is conducted, he thinks that people in Great Falls might be pretty irritated with spending \$30,000 on a survey after they said no to the levy. But if the recommendation is to conduct a survey, he thinks it needs to be an attempt to delve into what the people of Great Falls are thinking regarding fire, court, EMS, and public safety and to do so without any preconceptions.

PSAC Chair Guynn expressed she was in favor of some sort of a survey or poll. She wondered if this committee had met too soon because they really didn't know what the thoughts of the community were, other than they didn't support the levy, which doesn't mean that they are anti-public safety. She does think they have to have some sort of mechanism in place before they can really do too much else.

PSAC Member McKamey added that the focus should be on wrapping arms around people and not just issues. Go to the people instead of expecting them to come to us, like organizing a campaign.

PSAC Chair Guynn asked if there were any comments from the public.

Al Rollo, City resident, commented that door to door, or any other way to get out and meet people for one on one conversations, will be crucial. He realizes that spending money on a survey will not be liked. At the same time, he does feel that the City needs to know what is going on, and going door to door would be good. He thinks that a majority of the people did know what was going on and do want more police and firemen. The issue was inflation and seeing it on bills, and people said "no, they can't afford the public safety levy." The timing of the public safety levy was bad.

In summary, the PSAC members generally agreed with conducting a survey/poll to gather public opinions on public safety issues, but had differing opinions and concerns about the cost and effectiveness of the survey/poll.

PSAC Chair Guynn asked Member Rosales to discuss his recommendation #2.

PSAC Member Rosales suggested City municipal budgets be separated and allow separate levies in the same way the Library and City is organized. Great Falls Fire Rescue and Great Falls Police Department should propose several levy options that allow voters the opportunity to decide between different funding levels. Levies should be reapproved by the community or sunset after a certain number of years. He further suggested that levies must also come with clear promises and not just good intentions. If Great Falls Fire Rescue cannot assure the voters of an improved ISO score, or if Great Falls Police Department is unable to assure the community of reduced crime as a result of a levy passing, then they need to go back to the drawing board.

PSAC Chair Guynn asked if there was any discussion amongst the members about member Rosales' recommendation #2.

PSAC Member Weissman agreed with Rosales. He thinks it was a huge mistake to ask for an eye watering \$10 million dollars a year levy. Having separate levy requests for the Fire and Police Departments and the Court is appropriate. People may be more willing to support a smaller levy that individually funds one priority.

PSAC Member Nikolakakos agreed, noting he had in his recommendations to separate out the levies and to stagger the timing of the levies as well.

PSAC Member McKenney commented that he asked what the bare minimum requests would be from the departments. Municipal Court would like one jury clerk and one courtroom clerk. On a home valued at \$300,000 the cost would be \$5.40 per year. The City Attorney asked for one prosecutor and one victim witness coordinator at a cost of \$7.87 per year. Great Falls Fire Rescue asked for 16 firefighters and one fire prevention personnel at a cost of \$66.45 per year. Great Falls Police Department requested 14 patrol officers, two investigators and two dispatchers at a cost of \$68.97 per year. The total cost to a home value of \$300,000 would be \$148.69 per year.

PSAC Members Parcel and Weissman agreed that breaking the levies up would give people choices.

PSAC Member McKamey commented that people need to think of it as an investment. If the departments are not funded correctly, do not have the proper equipment, or are not allowed to find a way to remain funded, then we are not only penalizing the departments but are penalizing ourselves ultimately. Smaller amounts and having choices will allow people to think it is manageable. We need to have them feel they want to rally around this.

In response to PSAC Member Parcel, PSAC Member McKenney clarified that his recommendations included the bare bone minimum asks of the departments. The 16 personnel listed for the Fire Department would allow for a second company in the downtown fire station, where about 50% of the calls come from. If there were two fire companies there, it would relieve a lot of pressure, and provide for coverage in Great Falls when there are multiple calls. This suggestion is a future positive. Great Falls needs two more fire stations. Should the City be able to generate more tax income and another fire station is built, then there is already a second company to take out of downtown location.

Does this protect us into the future? No. Funding the bare minimum helps right now. It is about half, or about \$4.8 million, of the original ask.

PSAC Chair Guynn agreed that it is a good idea to have separate levies, maybe court and legal by themselves, and look at something different for fire and police. She also agrees with staggering the timing of the levies.

PSAC Member McKenney commented that there has never been a successful public safety levy in Great Falls. Great Falls has tried to exist on the current property tax structure, and because that has changed over the past couple of decades, it doesn't work anymore. He added that the human psychology of breaking up the levies might be that if one levy passes and another one comes up in a couple of years, people are going to ask why the City is asking for another levy.

PSAC Member Weissman commented that in the past 10-years the people of Great Falls have passed the Park District, Library levy and school levy/bond issues. If separate asks are made, it is incumbent upon the supporters of public safety to make the argument to the people of Great Falls why they should vote yes for the court, City Attorney's office, Fire and Police Departments.

PSAC Member McKenney responded that Plan B on his list of recommendations is exactly what member Weissman was just saying.

PSAC Member Nikolakakos noted a red flag of having multiple things on a ballot is they are splitting their votes in different ways, which may result in every ask getting a no.

One thing to consider is staggering. There are three major asks. He suggested funding one, finding alternative sources of funding for one, and putting one on the ballot in 2026 at a reduced level.

PSAC Chair Guynn asked if there were any comments from the public.

Al Rollo, City resident, agreed with separating the levy asks. He also feels that the public wants to know where their money is being spent. They want to see it on their tax bills like the County breaks it out.

PSAC Member Nikolakakos reported that his #1 recommendation is to pursue the 7 mill Library funding drawback. He does support a strong public library. The Library received more than it asked for. It is his understanding that the 7 mill agreement is in negotiations between the City, County and the Library. Drawing back those 7 mills, approximately \$1 million dollars, perhaps could fund the court, hold the line with law enforcement funding for now, while focusing on fire funding at a reduced ask.

PSAC Member Weissman suggested being careful about recommending reduction in funding to the Library because the people of Great Falls just said they want to support the Library. He put options in his recommendations for some additional funding. One is asking the legislature to increase the funding that the City of Great Falls is going to get from marijuana, and also ask about the option of putting a local option tax on marijuana sales, that will help fund public safety. He thinks 100% of the money that the City of Great Falls gets from marijuana sales should be earmarked by the Commission for the Police Department. The Fire Department should be looking at increasing fees for services. Perhaps, fees for business licenses should be more expensive, and the charge should be more for nuisance calls. He was surprised at the number of overtime hours. He suggested trying to minimize the use of overtime entirely and use that money to fund additional positions.

PSAC Member McKamey agreed with members Nikolakakos and Weissman, but suggested a loan from the Library that gets paid back.

PSAC Member Parcel clarified that the 7 mills that member Nikolakakos mentioned was existing City mills. It wasn't what was more recently voted on in the Library levy.

PSAC Member McKenney clarified that the City Charter sets forth 17 mills for the Library. In 1993 an agreement was put forth and the City agreed at that time to fund the library an additional 7 mills beyond other funding sources. That agreement was a one (1) year agreement with automatic renewals. The City purposely did that in 1993 so that they could revisit it every year. Right now, the City and the Library are negotiating that old agreement from 1993, and those 7 mills are part of the discussion.

PUBLIC COMMENT

Al Rollo, City resident, urged the PSAC to consider what he set forth in his written comments for discussion at the next meeting.

MISCELLANEOUS REPORTS AND ANNOUNCEMENTS FROM COMMITTEE

PSAC Chair Guynn announced that the next PSAC meeting is August 21, 2024 at 6:00 p.m., and she hoped the PSAC would be in a position to vote on recommendations.

ADJOURNMENT

There being no further business to come before the Public Safety Advisory Committee, PSAC Member McKamey moved, seconded by PSAC Member Nikolakakos, to adjourn the regular meeting of August 7, 2024, at 8:00 p.m.

Motion carried 7-0.

Chairperson Sandra Guynn

Acting Secretary – City Clerk Lisa Kunz

Minutes Approved: August 21, 2024