

**JOURNAL OF INFORMAL SPECIAL JOINT WORK SESSION  
OF THE GREAT FALLS CITY COMMISSION WITH  
CASCADE COUNTY COMMISSION AND LOCAL/REGIONAL LEGISLATORS  
GREAT FALLS PUBLIC LIBRARY, CORDINGLEY ROOM  
301 2<sup>ND</sup> AVENUE SOUTH, GREAT FALLS, MT  
AUGUST 21, 2024**

**CALL TO ORDER:** 12:33 p.m.

City Commission members present: Susan Wolff, Joe McKenney, Shannon Wilson, and Rick Tryon. Also present were City Manager Greg Doyon, Library Director Susie McIntyre, and Executive Assistant Krista Artis.

Cascade County Board of Commissioners present: Joe Briggs, Rae Grulkowski and Jim Larson. Candidate: Eric Hinebauch.

Legislators and Candidates present: Bruce Schultz, SD39; Hannah Trebas, HD19; Jane Weber, HD19; Rina Fontana Moore, HD20; Melissa Nikolakakos, HD20; Lela Graham, HD21; Ed Buttrey, HD21; Ronald Paulick, HD22; George Nikolakakos, HD22; Sandor Hopkins, HD23; Eric Tillman, HD23; Kevin Leatherbarrow, HD23; James Rickley, HD25; Russ Miner, HD26; Glenn Lambert, HD78; Wendy McKamey, SD12; Jeremy Trebas, SD13.

Media: Matt Hudson

**1. Welcome and Introduction**

Mayor Pro Tempore Wolff welcomed everyone.

**2. Remarks from City Commissioner (and 4-term Legislator) Joe McKenney**

City Commissioner McKenney provided general guidance and explained the intent of the meeting was to build relationships between Commissions and Legislators. How we communicate is important because our roles have an effect on the other elected officials. Property taxes and how local government is funded have been challenges for a long time. A solution that the previous Legislature came up with to address the rising property taxes in the Flathead Valley was to cap the increase in property taxes to the rate of inflation using the Consumer Price Index (CPI). Legislators thought that local governments that could not get their budget under control could ask for a levy.

**3. Presentation and Discussion of 2024-25 Legislative topics from City Commissioners and other Elected Officials**

Mayor Pro Tempore Wolff received clarification from several of the legislators that emails and texts work best to reach them during session. It was mentioned that scheduled weekly zoom meetings should have agendas, and personal presence from Commissioners are welcomed during Committee hearings.

Representative McKamey recommended having a mid-session meeting and early communication so that legislators can do something about what is being addressed.

Candidate Weber recommended providing local legislators with a combined document of listed priorities from the City and County to provide to local legislators. She added that leaving a voicemail is not an effective form of communication.

County Commissioner Briggs concurred with Ms. Weber's recommendation and added that when a legislator asks the Commissioners "how will a bill work on the ground" it is one of the greatest compliments.

Representative Trebas commented that Legislator holdovers from last year's session could be drafting bills now before the crunch time.

#### **4. Questions and Comments from Legislators**

Representative Schultz inquired what the City and County Commissioners feel are the two biggest issues to be addressed at the legislature.

Mayor Pro Tempore Wolff responded property tax caps, because increases can only be half of the rate of inflation. The City is always behind and it is difficult to explain that to constituents.

City Commissioner McKenney responded funding. The City cannot purchase fire hoses for the Fire Department; however, the State Government has a \$2.5 billion surplus.

County Commissioner Briggs responded that it seems like during the legislative session, there is nothing the County can do right. The legislature in the past has limited its ability to raise taxes. A recent study indicated that Cascade County is frugal; however, the study's basis was flawed because it did not take into account the capacity steps that counties go through and the lifecycle of the infrastructure. Local governments need a tax system that is not only adequate, but also predictable, to put an end to unfunded mandates. Legislators seem to get upset when the federal government does it to the state; however, state legislature does not seem to have any problem doing it to local government. There needs to be respect for what local government needs to do, what the legislature tells local governments to do, and to have an adequate funding source to accomplish that mission.

City Commissioner Tryon suggested that property tax reform is a priority that the legislature needs to address, because citizens feel they are being taxed out of their homes and valuations continue to increase. The Governor's Task Force recommendations included the homestead exemption, which is not a bad idea. He commented that the proposal requiring a 60% affirmative vote for a levy to pass is a bad idea and he cannot believe that legislators would consider passing a law that requires a 60% vote in order to pass a levy.

Mayor Pro Tempore Wolff requested that the legislators consider not allowing a sunset on levies. It could be difficult recruiting and retaining public safety personnel if there is a sunset on a levy.

Cascade County Commissioner Briggs concurred with Mayor Pro Tempore Wolff's request. He added that the County does not use unpredictable funds to pay for public safety for exactly that reason. The County does have unpredictability in the Health Department because it is largely funded by grants. When people are hired at the Health Department, they acknowledge that if the grant goes away, so does the position. Instead of a sunset, there should be some methodology to repeal once it is put in place. The biggest thing to consider with legislature decisions is to determine what a bill is going to do to the people on the ground. Some of the things that come out of Helena are not particularly functional for local governments.

City Commissioner Wilson commented that there was a lot of frustration from property owners at the August 20, 2024 City Commission meeting, because of the legislature's failure to go through the equalization processes to fix the property tax issues.

Candidate Weber inquired how the City and County Commissioners feel about the property evaluation cycle and if tax appeals are getting stacked up.

County Commissioner Briggs responded that the County has a problem with centrally assessed property appeals, including most industrial property, which are handled in a less visible process. The Department of Revenue (DOR) is not taking culpability after taxable values are set and it appears to be an unofficial appeal process handled in private negotiations.

Candidate Weber further inquired if there were protested taxes by Calumet that are stacked up with multiple years.

County Commissioner Briggs responded there are multiple years of protest in addition to the issue of the unofficial appeal process for centrally assessed property. The Great Falls Public School District recently requested the County Commission allow them to utilize their portion of the protested funds being held from Calumet. If the School District uses the funds and Calumet wins their protest, the School District would have to do a special assessment through a judgment levy process to repay the funds with interest.

City Manager Doyon explained that the timely resolution for protests and appeals is critical. There is little to no explanation with regard to where the values came in and he senses that the DOR is feeling the pressure for timely resolutions.

Representative Schultz received clarification that individuals have the right to appeal their property tax evaluations with the County or Montana Tax Appeal Boards.

County Commissioner Briggs expressed concern with regard to industrial appeals not being done in the same public process and local officials not being notified of the changes in the taxable values placed on a property.

Representative Trebas commented that I-105 was a ballot initiative in 1986, that left it open to the legislature to lower taxes, and was implemented in 1999. These protests generally involve revenue streams that are considered proprietary information making it difficult to settle in an open manner.

It could lead to litigation.

Representative Nikolakakos commented that constituents want controls on government spending. There is political pressure on the legislature from taxpayers and stated the legislature is doing a robust subsidizing of local governments.

Representative McKamey commented that taxpayers want control over how they are spending their money. When they do not see the value being delivered, they become upset and we need to respect their dollar.

Representative Buttrey suggested that the City and County Commissioners find out areas of expertise of the legislators and candidates and what committees they are on, so they know whom to contact to get history and knowledge of bills.

County Commissioner Briggs commented that if legislators want to make meaningful reductions on citizen's property taxes, they should remove the 95 mills school equalization mandate off the counties and use other revenue streams of state government to fund it, because it is a mandate from the courts that the state fund it.

Representative Nikolakakos commented that making statewide changes is very difficult. We are losing our industrial property base and shifting to a scenery state, which transfers the tax burden to personal property owners. The legislature limits local government's ability to raise taxes to a certain degree.

City Commissioner Tryon commented that local government does not have the ability to raise anyone's taxes 16% and can only approve a levy. The legislature and DOR are primarily responsible for tax policy and the way taxes are evaluated. He hopes the legislature changes the limits that local governments can increase taxes to be the percentage of whatever the CPI is rather than half of the CPI for the past three years. Because of this, the City falls behind every budget year.

Representative Nikolakakos commented that the voters are sending a message to the legislature that they want less taxes and less government spending.

City Commissioner Tryon added that the voters also want city and public safety services.

City Commissioner McKenney commented that the legislators today are being blamed for I-105. We are all hearing the same thing from constituents and need to work together rather than blame each other.

## **5. Public Comment**

None.

## **6. Conclusion and Final Thoughts**

Mayor Pro Tempore Wolff expressed appreciation to everyone for attending the meeting. She commented that we are each other's constituents and need to work together for the betterment of the communities.

It was the consensus of the group to meet again in November 2024.

**ADJOURN**

There being no further discussion, Mayor Pro Tempore Wolff adjourned the informal special joint work session of August 21, 2024, at 1:50 p.m.