

**JOURNAL OF COMMISSION WORK SESSION**  
**May 6, 2025 -- City Commission Work Session**  
**Civic Center, Gibson Room 212 -- Mayor Reeves Presiding**

**CALL TO ORDER: 5:30 PM**

**ROLL CALL/STAFF INTRODUCTIONS:**

City Commission members present: Cory Reeves, Joe McKenney, Rick Tryon, and Shannon Wilson. Commissioner Susan Wolff was excused.

Also present were City Manager Greg Doyon; Deputy City Attorney Rachel Taylor; Finance Director Melissa Kinzler and Deputy Director Kirsten Wavra; Public Works Director Chris Gaub; Fire Chief Jeremy Jones; Police Chief Jeff Newton; and, Deputy City Clerk Darcy Dea.

**PUBLIC COMMENT**

**Ben Forsyth**, City resident, provided and discussed Montana Code Annotated (MCA) 12-12-101 and 108, 76-2-304, 37-7-101, 16-12-101 and 16-12-108 handouts. Mr. Forsyth opined that the Commission disagrees with MCA 16-12-101 2e by not ensuring the safety of the public from the harms of marijuana.

Mayor Reeves called a recess at 5:40 pm and called the meeting back to order at 5:47 pm.

Although it was not on public record, Commissioner Tryon clarified that Mr. Forsyth's accusation that he messed up Mr. Forsyth's handouts from a previous work session was not true.

**WORK SESSION ITEMS**

**1. ENERGY MANAGEMENT REVIEW FROM POWERGAS CORPORATION**

Jim Morin, PowerGas Corporation reported that the amount of energy the city consumes for power and gas is approximately \$3.7 million annually and 95% is for electricity. There is an opportunity for savings and mitigating future costs by keeping informed of what the market is doing. The city purchases its power from a third-party provider and not NorthWestern Energy. PowerGas Corporation contracted with Guzman Energy, and it is constantly replacing its portfolio with more renewable energy and by next year, 80% of the electrons will be on renewable energy. NorthWestern Energy's portfolio generation is 65% to 70% renewable.

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Consultant Morin explained that the price for electricity in October 2022 was approximately \$120.00 a megawatt, \$89.95 in March 2023 and \$74.75 in November 2024. The price of electricity over the past three years has dropped 44%. From the calendar year 2024 versus calendar year 2023, the power usage increased from approximately 3.8% for the city and the cost increased 0.4%. From the last twelve months ending March 2025 versus March 2024, the overall usage increased approximately 2% and the power cost decreased 8%. The city does not use that much natural gas compared to power; however, comparing 2024 to 2023, the usage dropped approximately 4.7% and the cost dropped 22.5%. From the last twelve months ending March 2025 versus March 2024, the usage went up 11.14% for gas and the cost decreased 0.04%.

The demand charge for power and load factors are non-commodity tariffed charges that PowerGas is attacking with the management program to cut costs for the city. There were savings of \$170,000 for electricity with the current contract in place and approximately \$90,000 to \$100,000 annual savings for the city. Labor savings in coding and processing several hundred power bills saved the city approximately \$50,000 in the first six months. One thing PowerGas can do to make a big difference is watch the market and make contract changes for an estimated \$230,000 savings by departments over the next 18 months.

Mayor Reeves received clarification that if the city were to ever go with NorthWestern Energy, the city would be prohibited from ever going out to the market again.

Commissioner Wilson inquired about the difference between the cost of kilowatt hours on pages four and six of the agenda packet, as well as having more transmission lines.

Consultant Morin responded that the difference between the cost of kilowatt hours is possibly a timing difference regarding the months being calculated. NorthWestern Energy is trying to find a way to accommodate growth without overextending themselves and are putting more money into electricity than natural gas.

Commissioner McKenney received clarification that the Power Contract expires December 2026, and the Master Power Agreement stays in place.

Commissioner Tryon expressed appreciation to Consultant Morin for his efforts regarding the contract being a good investment for the city.

## **2. QUARTERLY BUDGET REVIEW**

Finance Director Melissa Kinzler and Deputy Finance Director Kirsten Wavra discussed a PowerPoint that included the following:

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- Three Year Comparison – 22% target fund balance for FY2025 is \$8,979,234.
- General Fund Three Year Revenue Comparison Revenue for FY2025. Taxes \$13,957,461. Licenses and permits 668,496. Intergovernmental \$7,679,240. Charges for services \$911,877. Fines and forfeitures \$365,797. Internal Service \$819,566. Investment income \$63,101. Other \$372,302.
- General Fund expenses budget to actual comparison by category for FY2025. Personal services \$22,609,366. Supplies \$669,017. Purchased services \$1,151,915. Debt services \$313,694. Other \$280,972. Internal service \$4,918,650. Capital outlay \$31,025. Transfer out \$897,358. Total Expenses \$30,871,996.
- General Fund expenses budget to actual comparison by Department. City Commission \$262,312. City Manager \$451,479. Communication Specialist \$69,112. City Clerk \$208,150. Animal Shelter \$819,755. Miscellaneous Admin \$933,534. City/County Health \$250,000. Municipal Court \$946,224. Legal \$1,173,734. Police \$13,308,810. Fire \$9,127,959. Park and Recreation \$2,423,569. Transfer Out \$897,358.
- Major tax collections were delayed until January 2025.
- Increase to projected fund balance \$310,064. FY24 total protested taxes \$1,193,063.02. FY25 protested taxed \$360,315.04. Total protested taxes \$1,553,378.06. Anticipated protested taxes included in FY2025 budget \$1,000,000. Projecting \$720,630 in protested taxes for FY2025. Increase to projected fund balance \$279,370.
- General Fund projected unreserved fund balance for FY2025 ending fund balance approximately 27%. The 27% would be used to offset the deficit going into next year.
- Newly taxable property, inflationary factor, permissive medical levy and entitlement share are four areas in the general fund where the city can increase its revenues predictably every year. Staff is predicting approximately \$448,000 for the inflationary factor in FY2026; however, the amount depends on the legislature.
- Permissive Medical Levy will be 80%/20% with a 5% increase and the city's cost in the general fund should break even from the prior year.
- The new taxable property legislation will not go into effect until the tax year 2026 and FY2027.
- There will be approximately \$88,000 in the entitlement share.

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Commissioner Wilson reported that there was an interesting article in the *Billings Gazette* about extra property tax savings that would come at a cost by the city cutting its FY2026 and FY2027 budgets.

Finance Director Kinzler responded that the Billings charter is unique by limiting how many mills can be milled for the general fund and Billings has a lot of voted mills that are going to affect its budget.

Commissioner McKenney received clarification that intergovernmental funds are revenue from the state, county and federal governments, and the entitlement share is a large portion of that.

Commissioner Tryon received clarification that the savings to the city for the increase in employee contributions to the health insurance would be minimal, if any.

Mayor Reeves received clarification that this would be the only year that the city does not ask for an increase for the permissive medical levy.

Commissioner McKenney provided and discussed a handout on housing recommendations provided by Great Falls Association of Realtors, Home Builders Association of Great Falls, NeighborWorks Great Falls, and Great Falls Development Alliance. Commissioner McKenney reported that the recommendations included Tax Increment Financing (TIF) Districts to allow for workforce housing; Special Improvement Districts (SID) for infrastructure; City-owned properties for housing, and pre-approve conceptual plan sets for Accessory Dwelling Units (ADU).

It was the consensus of the Commission to have City Manager Greg Doyon bring the Commission something it could consider regarding the recommendations.

Manager Doyon responded that updating TIF Districts to allow for workforce housing could take time and the city has already engaged an outside consultant to update SID's. Utilizing city-owned land for housing development had previously been discussed and the Commission would need to consider how it would change its approach today if it wanted to pursue this. It seems that pre- approving plan sets for ADUs does not seem to be the Commission's priority and the TIF recommendation is. Staff would do their best to accommodate the timeframe on the memo, keeping in mind that the Planning and Community Development Department is working through the Growth Management Plan.

Mayor Reeves commented that all the recommendations are important; however, he is passionate about developing undeveloped parkland.

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### **DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS**

City Manager Greg Doyon reported that a lead and copper rule update will be a topic for the May 20, 2025 work session.

### **ADJOURN**

There being no further discussion, Mayor Reeves adjourned the informal work session of May 6, 2025 at 6:50 p.m.