

JOURNAL OF COMMISSION WORK SESSION
April 15, 2014

City Commission Work Session
Civic Center, Commission Chambers

Mayor Winters presiding

CALL TO ORDER: 5:30 p.m.

ROLL CALL: City Commissioners present: Michael J. Winters, Bill Bronson, Fred Burow, Bob Jones, and Bob Kelly.

STAFF PRESENT: City Manager; Deputy City Manager; City Attorney; Directors of Fiscal Services, Park and Recreation, Planning and Community Development, and Public Works; City Engineer; and the Deputy City Clerk.

***** Action Minutes of the Great Falls City Commission. Please refer to the audio/video recording of this meeting for additional detail. *****

1. PUBLIC COMMENT

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

Richard Liebert, 289 Boston Coulee Road, recommended the public comment period be at the end of the proceedings for more effectiveness. He believes all Commission meetings should be broadcast, and participation helps restore public trust.

2. CONTINUED FEE DISCUSSIONS

PUBLIC WORKS (ENGINEERING):

City Engineer Dave Dobbs provided and discussed a PowerPoint presentation on engineering fees.

ENGINEERING FEES

DAVE DOBBS, CITY ENGINEER APRIL 15, 2014

CURRENT AND PROPOSED DEVELOPMENT & INSPECTION FEES, PER HOUR
SUBDIVISION INFRASTRUCTURE & EXTENSIONS

POSITION	CURRENT CITY FEE	PROPOSED CITY FEE	FIVE CONSULTANT AVERAGE
PROJECT ENGINEER	\$75	\$96	\$138
INSPECTOR	\$45	\$59	\$ 78
INSPECTOR OVERTIME	\$57	\$71	\$108

REVENUE: FY 2008 = \$144,952; FY 2011 = \$20,793; FY 2014 = \$150,000 (EST.)
(LAST ADJUSTED IN 2007)

ENGINEERING FEES

CONCRETE, SANITARY SEWER, BOULEVARD ENCROACHMENT

TYPE	CURRENT	PROPOSED
CURB CUT	\$30	\$35
DRIVEWAY	\$30	\$35
SIDEWALK (FIRST 100 LF)	\$30	\$35
SIDEWALK (ADD. 100 LF)	\$ 5	\$ 5
SIDEWALK REPLACEMENT	\$25	\$25
CURB & GUTTER	\$35	\$35
REINSPECTION	\$20	\$25
MUDJACKING	\$15	\$20

CONCRETE REVENUE : \$11,000/YR. LAST ADJUSTED IN 2006.

SEWER INSPECTION IS PROPOSED TO REMAIN AT \$100; BUDGETED \$20,000/YR. LAST ADJUSTED IN 2006. ADD A \$25 REINSPECTION FEE WHICH DOES NOT CURRENTLY EXIST.

BOULEVARD ENCROACHMENT PERMIT IS PROPOSED TO REMAIN AT \$50. BUDGET \$300/YR.

<p style="text-align: center;">ENGINEERING FEES</p> <p style="text-align: center;">FEES FOR PLANS, SPECIFICATIONS, AND COPIES: NO CHANGES PROPOSED</p> <table border="1"> <thead> <tr> <th colspan="2">CONTRACT PLANS AND SPECIFICATIONS, PER SET</th> </tr> </thead> <tbody> <tr> <td>CONTRACT PLANS AND SPECIFICATIONS WITHOUT 24" X 36" SHEETS:</td> <td>\$20.00 TO \$30.00</td> </tr> <tr> <td>CONTRACT PLANS AND SPECIFICATIONS WITH 24" X 36" SHEETS:</td> <td>\$25.00 FOR THE FIRST SHEET PLUS \$5.00 PER EACH ADDITIONAL SHEET</td> </tr> <tr> <td>CONTRACT PLANS AND SPECIFICATIONS PROVIDED BY CONSULTANTS</td> <td>THE ABOVE RATES, OR THE CONSULTANT'S CHARGES PLUS 20%</td> </tr> <tr> <td>AUXILIARY REPORTS:</td> <td>\$25.00 TO \$100.00</td> </tr> </tbody> </table> <p style="text-align: center;">BUDGETED REVENUE \$5,000/YR. LAST ADJUSTED IN 2011.</p>	CONTRACT PLANS AND SPECIFICATIONS, PER SET		CONTRACT PLANS AND SPECIFICATIONS WITHOUT 24" X 36" SHEETS:	\$20.00 TO \$30.00	CONTRACT PLANS AND SPECIFICATIONS WITH 24" X 36" SHEETS:	\$25.00 FOR THE FIRST SHEET PLUS \$5.00 PER EACH ADDITIONAL SHEET	CONTRACT PLANS AND SPECIFICATIONS PROVIDED BY CONSULTANTS	THE ABOVE RATES, OR THE CONSULTANT'S CHARGES PLUS 20%	AUXILIARY REPORTS:	\$25.00 TO \$100.00	<p style="text-align: center;">ENGINEERING FEES</p> <p style="text-align: center;">FEES FOR PLANS, SPECIFICATIONS, AND COPIES: NO CHANGES PROPOSED</p> <table border="1"> <thead> <tr> <th colspan="2">IN-HOUSE COPY SERVICES, EACH:</th> </tr> </thead> <tbody> <tr> <td>LEGAL OR LETTER SIZE COPIES</td> <td>\$0.25</td> </tr> <tr> <td>11" X 17" SHEETS</td> <td>\$0.50</td> </tr> <tr> <td>11" X 17" AERIAL PRINT</td> <td>\$7.00</td> </tr> <tr> <td>24" X 36" BLUEPRINTS OR PRINTS</td> <td>\$5.00</td> </tr> <tr> <td>24" X 36" AERIAL PRINT</td> <td>\$10.00</td> </tr> <tr> <td>1" = 1250' CITY BASE MAP</td> <td>\$7.00</td> </tr> </tbody> </table>	IN-HOUSE COPY SERVICES, EACH:		LEGAL OR LETTER SIZE COPIES	\$0.25	11" X 17" SHEETS	\$0.50	11" X 17" AERIAL PRINT	\$7.00	24" X 36" BLUEPRINTS OR PRINTS	\$5.00	24" X 36" AERIAL PRINT	\$10.00	1" = 1250' CITY BASE MAP	\$7.00
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The consensus of the Commission was to proceed with the process for the proposed engineering fees.

RECREATION (MULTI-SPORTS, RECREATION CENTER):

Park and Recreation Director Marty Basta provided and discussed a handout on current and proposed fees for the Community Recreation Center/Multi-Sports.

Director Basta reported the Multi-Sports Complex operation is currently in the black, not including all facility and capital needs. He believes the upcoming season will also be successful.

Recreation Center Supervisor Erica McNamee reported the Community Recreation Center fees were adjusted in September. She discussed the current and proposed fees, and noted the Community Recreation Center primarily serves low-to-moderate income people. She believes the current fees are appropriate.

Ms. McNamee reported the Recreation Center received \$154,000 last year from the General Fund, and \$59,000 this year.

City Manager Greg Doyon questioned if the plan to issue a Request for Proposals is underway for leasing the facility.

Director Basta responded there are still plans to seek proposals.

Manager Doyon noted the Recreation Center has an in-house revenue opportunity by leasing some of the space. He is hopeful more dependence on the General Fund can be reduced. Reserves were probably used this year to make that budget whole, which means there will be less to tap into for the upcoming year.

Manager Doyon discussed Multi-Sports and noted the facility must be maintained so the fields are attractive enough to lease; money must be set aside for capital.

Commissioner Kelly believes the Community Recreation Center is more valuable than the costs, and he hopes appropriate funding can continue.

3. QUARTERLY BUDGET MEETING

Fiscal Services Director Mellissa Kinzler provided and discussed handouts of the FY 2014 3rd Quarter Review and General Fund highlights.

Director Kinzler reported the switch from Cablevision to Charter has resulted in a decrease due to how services are bundled and how percentages are calculated.

Manager Doyon stated the Public Service Commission has been contacted for background on what has been collected. He has also requested the base map that is currently being used for the boundaries. He has received audited financials used to calculate the franchise fee. He believes the franchise agreement allows going back five years if there is a dispute on boundaries.

Director Kinzler discussed decreasing future revenue because of trends in some of the funds that offset revenue increases from newly taxable property or the inflationary factor. She also discussed the problem of not having the 17% General Fund balance to offset fluctuations in the cash flow.

Director Kinzler noted the current Street fund expenses over revenues are a negative \$1.7 Million. She believes that unreserved balance will be depleted by the end of the fiscal year.

Director Kinzler also noted the Golf Courses fund expenses over revenues are a negative \$221,377. The fund has had a negative cash balance since 2001, for a total negative balance of \$1.3 Million.

Public Works Director Jim Rearden commented the current fiscal year Street Fund deficit resulted from several projects that had been on the table. Also, an early spring and equipment that ran good last year allowed milling, overlays and chip sealing that lasted well into the fall.

Manager Doyon believes the Golf Courses fund will need to be evaluated for a write-off at some point.

Director Kinzler also discussed the Swimming Pools fund, the Civic Center Events fund, and the Health & Benefits fund.

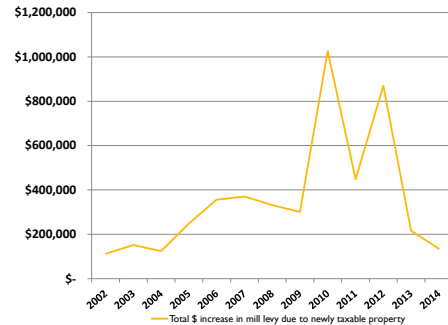
Manager Doyon provided and discussed a PowerPoint presentation of the Quarterly Budget Review, FY15 Budget Primer.

Budget Drivers FY15 (and beyond)

1. Slow property tax growth

2

New Taxable Revenues



3

Budget Drivers FY15 (and beyond)

1. Slow property tax growth
2. General Fund Subsidies

4

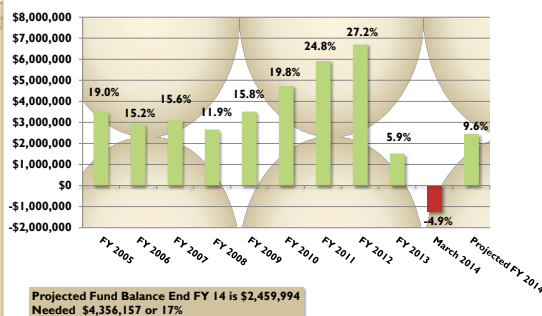
General Fund Subsidies

Support Area	2011	2012	2013	2014
City County Health	\$250,000	\$250,000	\$250,000	\$250,000
City Band	\$4,500	\$4,500	\$4,500	\$0
GFDA	\$100,000	\$50,000	\$0	\$0
Tennis Court	\$0	\$4,000	\$4,000	\$0
Natural Resources	\$264,918	\$264,918	\$264,918	\$164,918
Planning	\$199,951	\$168,148	\$158,825	\$100,000
Swimming Pools	\$414,389	\$414,389	\$414,389	\$214,389
Recreation Center	\$153,729	\$153,729	\$153,729	\$59,226
Multisport	\$0	\$0	\$0	\$0
IT	\$11,772	\$11,772	\$12,695	\$0
Engineering	\$126,287	\$126,287	\$126,287	\$63,143
Civic Center Events	\$214,727	\$214,727	\$214,727	\$114,727
Library	\$446,000	\$450,965	\$450,000	\$350,000
Golf Course	\$100,000	\$100,000	\$0	\$0

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General Fund Undesignated Fund Balance

10 Year Trend



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Moody's Comments

STRENGTHS

- A sizeable and stable tax base
- Strong management team that is seeking to minimize or eliminate enterprise risks
- Manageable direct debt burden with rapid repayment

CHALLENGES

- Weak financial position as a result of a recent legal settlement involving its electric enterprise
- Below-average socioeconomic measures

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Short-term vs. Long-term Ratings

Long Term	Short Term
Investment Grade	Prime.1
Asa	
Asa1	
Asa2	
Asa3	
A1	
A2	
A3	
Prime.2	
Baa1	
Baa2	
Baa3	
Prime.3	
Speculative Grade	Not Prime
Ba1	
Ba2	
Ba3	
B1	
B2	
B3	
Not Prime	
Caa1	
Caa2	
Caa3	
Ca	
C	

City's Rating

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Budget Drivers FY15 (and beyond)

1. Slow property tax growth
2. Department reliance on General Fund Subsidy
3. **Electric City Power Settlement**

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Settlement Funding

	<u>Payment #1</u>	<u>Balance</u> <i>As of (3/31/14)</i>
Central Garage	\$905,000	\$2,883,802
Information Tech	\$200,000	\$157,481
Fiscal Services	\$325,000	(\$63,647)
Engineering	\$250,000	\$235,185
Public Work Admin	\$100,000	\$230,607
Insurance & Safety	\$200,000	\$239,676
Hazard Removal	\$100,000	\$1,845
Economic Revolving	\$420,000	\$280,141
	\$2,500,000	\$3,965,090
General Fund		(\$1,258,040)
<u>Payment #2</u>		
Tax Revenue	\$750,000	
Total	\$3,250,000	

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Budget Drivers FY15 (and beyond)

1. Slow property tax growth
2. Department reliance on General Fund Subsidy
3. Electric City Power Settlement
4. **Capital Planning**
 - Civic Center, Nat, Large Equipment

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The Plan

- ↑ ↑ Economic Development
- ↔ Stabilize the budget - Fund Balance to 17%
- ↓ General Fund Support
- ↑ Capital Planning - Facility
- ↑ Debt/Operational Flexibility
 - Realign City services where possible
 - No new programs or expansion
 - Focus on department core service areas
- Budget process overhaul
 - Service review
 - Fee review
 - Fund review
 - Quarterly budget meetings
- Determine Resident Priorities
- Pursue Partnerships

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Future Budgets Assumptions

- Little support for levees
- Slow growth – slow tax revenue
- Service Menu Too Full
- Deferred Maintenance/Capital

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Manager Doyon emphasized that the City will need to borrow money at some point. The City will need to go to the voters and ask for help.

Manager Doyon commented there are drivers outside the community that cost money, i.e., EPA requirements, state mandates requiring a certain number of lifeguards at pools. There are services that are regulated by entities that do not help with the cost to meet those regulations.

4. INITIAL SIGN CODE DISCUSSION

Planning and Community Development Director Craig Raymond provided and discussed a PowerPoint presentation on an Initial Sign Code Discussion.

Sign Code Purpose:

- Provide aesthetically pleasing appearance of the community
- Provide adequate business identification & advertising communication
- Improve Great Falls' image by eliminating sign clutter
- Encourage signage of a scale and character consistent with building, site, streetscape and neighborhood
- Ensure protection of pedestrians and motorists from distractions and obstructions of improperly-placed signs
- Provide effective and binding code implementation and enforcement measures

Sign Code Review:

- Current Sign Code was adopted in 2003 after an extensive process which included numerous stakeholders
- By and large, the current sign code is a good document, it's designed to achieve certain goals as discussed in the Sign Code Goals on the previous slide
- Current provisions of Great Falls sign code in so far as height, area and other regulations are fairly consistent in comparison to other Montana jurisdictions
- Some provisions are creating considerable concern in the business community and Planning and Community Development

Sign Code Primary Issues:

- Problem -
- Current Code requires all non-conforming signs to come into compliance if they are being currently modified or December 31, 2015
- Recommended Solution
- Delete December 31, 2015 deadline for compliance. Given the scale of non-compliance this is not likely to be a successful approach
- Keep provision requiring overall compliance when sign are modified
- Add new provision requiring overall compliance when significant investment is being made to the property.
 - Example: When property is being developed or redeveloped at 25% of assessed value or \$100,000 whichever is less, overall sign compliance shall be required

Sign Code Primary Issues:

- Issue:
- Conflict within Neighborhood Zoning Districts and Sign Code Provisions
- Solution:
- This is not a Sign Code problem, It is a Zoning Map problem
- Do not modify provisions in the sign code pertaining to these zoning districts which include M-1 (Mixed Use), C-1 (Neighborhood Commercial), C-5 (Central Business Periphery), RES (Residential districts), PLI (Public Lands and Institutional) and POS (Parks and Open Space)
- Address the issue through zoning map review by determining if properties are zoned appropriately

Sign Code Primary Issues:

- Issue:
- Provision of Land Development Code 17.20.6.140(G)(1) Prohibit Type 1 Casino's from having any free-standing signs on the premises
- Solution:
- Delete 17.20.6.140 (G)(1)- Allowing Type 1 Casinos to install or maintain free standing signs as allowed for other commercial uses per the existing requirements for free standing signs in each respective zoning district

Sign Code Primary Issues:

- Issue:
- Lack of enforcement from P&CD and consistency of interpretation of Sign Code
- Solution:
- Education, Education, Education
- Educate P&CD Staff
- Educate Sign Contractors
- Educate Business Community

Mayor Winters stepped out at 6:33 p.m. and returned at 6:46 p.m.

Director Raymond noted there was a three-year period during which businesses could grandfather signs as they existed at the time. Not many businesses took advantage of that opportunity.

After discussion, the consensus of the Commission was to consider staff's recommendation on the sign code issue at a later date.

ADJOURN

There being no further discussion, Mayor Winters adjourned the informal work session of April 15, 2014, at 6:51 p.m.