

Regular City Commission Meeting

Mayor Kelly presiding

**CALL TO ORDER:** 7:00 PM

Commission Chambers Room 206

## **PLEDGE OF ALLEGIANCE**

**ROLL CALL/STAFF INTRODUCTIONS:** City Commission members present: Bob Kelly, Tracy Houck, Bob Jones and Bill Bronson. Commissioner Fred Burow was excused. Also present were City Manager Greg Doyon; City Clerk Lisa Kunz; Public Works Director Jim Rearden; Planning and Community Development Director Craig Raymond; Library Director Kathy Mora; Fiscal Services Director Melissa Kinzler; Assistant City Attorney Joe Cik; and Police Chief Dave Bowen.

**AGENDA APPROVAL:** City Manager Greg Doyon removed item 11C from the contracts list, as well as noted minor edits to items 12 and 24. No changes were proposed by the City Commission. The agenda was approved as amended.

**PROCLAMATION:** Commissioner Bronson read a proclamation for Building Active Communities.

Building Active Communities Initiative (BACI) member Abigail Lichliter invited everyone to attend a BACI event July 30<sup>th</sup> at the Davidson Plaza and to participate and provide input on efforts to revitalize downtown Great Falls.

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

## **PETITIONS AND COMMUNICATIONS**

### **1. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

**Pam Hendrickson**, 1321 5<sup>th</sup> Avenue North, expressed concerns and opposition to fireworks being allowed three days for the 4<sup>th</sup> of July holiday. She suggested that the fireworks ordinance be amended.

Mayor Kelly responded that staff is exploring options. He further noted that there are about eight vendors that sell fireworks within the City limits. For the most part fireworks are sold in the County. It is his understanding that the County is unable to restrict fireworks usage unless it is on land that it manages.

**Susan Colvin**, 287 McIver Road, also expressed concerns with regard to the public's fireworks usage during the 4<sup>th</sup> of July holiday. She suggested that money and efforts should go towards the City fireworks only.

**Richard Liebert**, 289 Boston Coulee Road, encouraged the City to donate money to support public radio. He also inquired about the K-9 professionals that serve the community.

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue NE, encouraged attendance at the County zoning meeting on

Thursday regarding two solar projects being proposed outside of the City limits. He considers solar a clean energy source and believes there is a lot of false information being passed around.

**Stuart Lewin**, 615 3<sup>rd</sup> Avenue North, complimented the City Manager and Commission for building up the fund reserves. He encouraged respect of the riverfront, and looking at the future and potential of Great Falls to keep Great Falls a livable community.

**John Hubbard**, 615 7<sup>th</sup> Avenue South, suggested the addition of night crews to complete road construction within the City. Mr. Hubbard further opined about gay rights, and he discussed opposition to taxes and statute of limitation with regard to his personal litigation issues.

### **NEIGHBORHOOD COUNCILS**

#### **2. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

**Kathy Gessaman**, NC 3, complimented City street crews for work in the Riverview area.

### **BOARDS & COMMISSIONS**

#### **3. REAPPOINTMENTS, POLICE COMMISSION.**

**Commissioner Jones moved, seconded by Commissioner Bronson, that the City Commission reappoint Ken Thompson to the Police Commission for a three-year term through June 30, 2019.**

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

#### **4. APPOINTMENT, TOURISM BUSINESS IMPROVEMENT DISTRICT.**

**Commissioner Bronson moved, seconded by Commissioner Houck, that the City Commission appoint Robert Dompier to the Tourism Business Improvement District Board of Trustees for the remainder of a four-year term through June 30, 2019.**

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

#### **5. APPOINTMENT, LIBRARY BOARD.**

**Mayor Kelly moved, seconded by Commissioner Bronson, that the City Commission appoint Jane West to a five-year term through June 30, 2021, to the Library Board.**

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none,

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

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue NE, pointed out a typographical error in the agenda report.

**Richard Liebert**, 289 Boston Coulee Road, inquired Ms. West's background.

Library Director Kathy Mora responded that Ms. West currently works for Planned Parenthood as a Clinical Assistant. She has also been involved with Malmstrom as a key spouse for a squadron.

Motion carried 4-0.

6. **POLICE COMMISSION, BOARD MEMBER INTRODUCTIONS AND BOARD REPORT.**

Police Chief Dave Bowen introduced Police Commission board members Ken Thompson, Ted Barnes and Kevin Heffernan.

Ted Barnes reported that the Police Commission is bound by the legislature. He commended the City for having this kind of oversight and certification requirements for police officers for well over 100 years. The purpose of the Police Commission is specific to examining all applications for the police force and serving as an appeal board for an officer as set forth in state statute. He reviewed membership, and the selection and hiring process. Mr. Barnes concluded that the Police Commission enjoys autonomy due to its unique purpose, requirements and access to privileged information. Over the past several years the Police Commission has increased its involvement in the review, observation of and participation in the various hiring steps. The Police Commission is unique in that it meets on demand.

The Commission presented the board members with certificates recognizing them for the work that they do and thanking them for their service.

7. **MISCELLANEOUS REPORTS AND ANNOUNCEMENTS FROM BOARDS AND COMMISSIONS.**

There were no miscellaneous reports and announcements from members of boards and commissions.

**CITY MANAGER**

8. **MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

City Manager Greg Doyon reported that the past couple of weeks have been focused on budget preparation. He and the City Attorney are in the process of renegotiating the Pasta Montana lease. Active shooter training was held in the Civic Center and will be extended to other areas. Chief Bowen discussed the environment and outpouring of support for the officers in the community on public radio KGPR today.

Chief Bowen reported that there are extenuating circumstances with regard to the K-9 program, and that his recent announcement had nothing to do with financing or equipment. After careful consideration he thought it was in the Police Department's best interest to suspend this program.

**CONSENT AGENDA.**

9. Minutes, July 5, 2016, Commission meeting.
10. Total expenditures of \$4,915,126 for the period of June 16, 2016 through July 6, 2016, to include claims over \$5,000 in the amount of \$4,618,896.
11. Amended contracts list.
12. Approve Final Payment for the Lower South Side Water Main Replacement – Phase II, in the amount of \$22,229.69 to Phillips Construction, LLC, and \$224.54 to the State Miscellaneous Tax Fund, and authorize the City Manager to make the payments. **OF 1465.1**
13. Approve cancellation of outstanding and unpaid checks over a year old issued by City of Great Falls Municipal Court.
14. Set public hearing to consider a renewal of a lease agreement with Cedar Tower Co., LLC on the City-owned Ella Water Storage Tank located in Clara Park for August 16, 2016.

**Commissioner Jones moved, seconded by Commissioner Houck, that the City Commission approve the Consent Agenda as presented.**

Mayor Kelly asked if there was any discussion amongst the Commissioners. He noted that Item 11C was previously removed from the contracts list.

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

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue NE, commented that he used the word “reduction” rather than “deduction” on page 128 of the minutes, Item 9. With regard to Item 10, he inquired the total amount of money expended on the 911 center building.

Manager Doyon reminded the Commission that there was a very large grant award for that facility.

There being no one further to address the Commission, Mayor Kelly called for the vote.

Motion carried 4-0.

**PUBLIC HEARINGS**

15. **TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID) 2016/2017 BUDGET AND WORK PLAN.**

TBID Administrative and Marketing Director Rebecca Engum reported that the TBID is a special district voted on by those members that are participatory in the district. It does require a majority vote of hoteliers in the community to enact this district. The district is for 10 years, and it is funded by \$1 per night head stay in Great Falls lodging properties by non residents that are traveling and staying in those properties.

Great Falls Montana Tourism is the collective tourism effort for Great Falls. It is comprised of the Convention and Visitors Bureau, the TBID and the Great Falls area Chamber of Commerce. They have created one vision, one mission, one set of strategic priorities and one marketing plan.

Because they have combined as one alliance they will be securing partners to aid in developing a new visitor's guide, website and media placement and creative services.

Great Falls Montana Tourism, through the TBID, has been working on a multi-purpose facility for the community. In 2014 a consultant determined that the best location for a multi-purpose center was a few adjustments to the currently existing Pacific Steel & Recycling Four Seasons Arena at Montana Expo Park. The team will be moving this project forward by dedicating more resources and looking at the impact to the infrastructure by increased use and structural changes. They will also look at what additional improvements could be made for what specific purpose to insure the use of the Expo Park grounds year round.

Director Engum further reported that they will be hiring a sales manager to focus on securing larger meetings, conventions, groups and events for Great Falls.

She is confident that they will be successful in increasing occupancy in Great Falls by 1%, which is the goal this year.

From the \$388,803 proposed budget, they will be using funds this year to continue with the multi-purpose center while investing in a staff team to achieve growth in the tourism segment of the local economy.

Mayor Kelly declared the public hearing open.

No one spoke in opposition to the TBID 2016/2017 Budget and Work Plan.

Speaking in support of the TBID 2016/2017 Budget and Work Plan were:

**Richard Liebert**, 289 Boston Coulee Road, encouraged the alliance to make a connection between Ireland, Wales and the Celtic Cowboy.

**Brad Livingston**, Chamber of Commerce, 100 1<sup>st</sup> Avenue North, encouraged attendance at CVB and TBID meetings to hear the discussions about strategy to move this community for tourism.

**Jane Weber**, 701 4<sup>th</sup> Avenue North, commented that there are greater efficiencies now because of the combined talents to make things happen for our community. She noted that tourism not only affects Great Falls, but the rural areas too. There are some tremendous historic and cultural sites in rural county areas. This organization will help market those areas.

**Jana Cooper**, TD&H Engineering, 1800 River Drive North, commented that she joined and attended her first Great Friends League meeting tonight. She congratulated Director Engum for getting people involved and promoting our community.

There being no one further to address the Commission, Mayor Kelly closed the public hearing and asked the will of the Commission.

**Commissioner Houck moved, seconded by Commissioner Bronson, that the City Commission accept the 2016/2017 Tourism Business Improvement District (TBID) Budget and Work Plan.**

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioner Houck commented that if the efforts of Great Falls Montana Tourism can be supported great things will be coming.

Mayor Kelly applauded Rebecca Engum, Jana Cooper and Abigail Lichliter and the younger demographic taking responsibility and leadership roles in the community. This is the first time the budget was presented with all three organizations. He asked that next year Director Engum provide a two year side by side comparison. He also expressed appreciation to CVB for taking over the Visitor Information Center. He encouraged members of the Great Friends League to volunteer at the Visitor Information Center.

There being no further comments, Mayor Kelly called for the vote.

Motion carried 4-0.

16. **GREAT FALLS NORTH APARTMENTS, LLC, ALSO KNOWN AS SMELTER AVENUE APARTMENTS.**
  - A. **RESOLUTION 10140 TO ANNEX SAID PROPERTY.**
  - B. **ORDINANCE 3142 TO ASSIGN CITY ZONING CLASSIFICATION OF R-6 TO SAID PROPERTY.**

Planning and Community Development Director Craig Raymond reported that this item is a request to conduct a public hearing on Resolution 10140 which approves the annexation of certain property into the City of Great Falls as well as Ordinance 3142 which assigns R-6 Multi-Family High Density zoning to the subject property upon annexation and to consider approval of the Development Agreement to address the conditions for the thoughtful and orderly development of the property. The property which is under consideration is legally described as Lot 4, Block 1, located in the NE¼ of Section 2, Township 20 North, Range 3 East, PM MT., Cascade County, Montana.

The subject property is approximately 9.2 acres and is located on the northwest side of the City of Great Falls, abutting Division Road to the east, 1<sup>st</sup> Street NW to the west, Smelter Avenue NW to the north and high density apartment complexes to the south. The subject parcel is an

unincorporated enclave currently in the county; annexation and development of the property almost completely resolves the current enclave issue.

The applicant is seeking to build a 216-unit apartment complex containing a clubhouse, pool, parking and other amenities. The subject property is currently vacant and annexation into the City would allow the property owner access to City water and sewer services. During the course of processing this application, City staff has worked closely with the applicant in order to ensure that the ultimate development plans will be successful for both the developer and the citizens in the community. City staff also reached out to the School District to ensure that it would be prepared for a development of this scale and also to provide the School District with an opportunity to provide input and feedback on the project. To date, the School District has not expressed any concerns about the project. Additionally, the proposal was brought to Neighborhood Council #3 which voted unanimously to support the project.

At the conclusion of a public hearing held on May 24, 2016, the Planning Advisory Board recommended the City Commission approve annexation of the subject property and the Zoning Commission approved assigning a zoning classification of R-6 Multi-Family Residential High Density District upon annexation into the City, subject to fulfillment of certain conditions of approval.

Mayor Kelly declared the public hearing open.

Speaking in support of Resolution 10140 and Ordinance 3142 were:

**Jana Cooper**, TD&H Engineering, 1800 River Drive North, commented that these are the same developers that did the Talus Apartments. This project is different in style for a younger, professional demographic. This project will bring another housing option for Great Falls, will increase the tax base and will support the building and construction industry.

**Kelley Aline**, Great Falls Development Authority (GFDA), commented that GFDA is supportive of housing developments at all price points. What the Ferrin Group did at the Talus Apartments was excellent for the community and GFDA is supportive of this project going forward.

**Brad Livingston**, Chamber of Commerce, 100 1<sup>st</sup> Avenue North, commented that he has learned a lot this past six months about development and how we want this community to grow. To grow the City has to have affordable housing. The Chamber supports this development and future opportunities to have housing at all levels for people in Great Falls.

No one spoke in opposition to Resolution 10140 and Ordinance 3142.

Mayor Kelly closed the public hearing and asked the will of the Commission.

**Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission adopt Resolution 10140 and approve the Improvement Agreement, all pertaining to Great Falls North Apartments, LLC.**

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none,

Mayor Kelly called for the vote.

Motion carried 4-0.

**Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission adopt Ordinance 3142.**

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

**17. RESOLUTION 10150 – INTENT TO INCREASE PROPERTY TAX.**

City Manager Greg Doyon commented that the budget is an ongoing process. He has refined how the City approaches its budget the last several years including ongoing quarterly reports to the Commission, really taking a look at the 58 different funds of the City and how they interrelate, and taking a look at capital planning to make sure prudent decisions are being made. He reported that he is statutorily directed to prepare a budget for the City Commission.

Manager Doyon highlighted that in the last several budgets he focused a lot of resources towards public safety. This budget continues that momentum, as well as capital needs, capital reserve funds for certain facilities, tackling some deferred maintenance, focusing on development processes that includes a comprehensive planner, engineer, plans examiner, and continued half-time support for an Historic Preservation Officer. In terms of environmental compliance, the budget includes technicians to monitor new compliance regulations for storm water discharge. Funding was also incorporated for a full-time employee for the River's Edge Trail maintenance.

The undesignated fund balance is projected to be about 21%. A lot of at risk funds have been eliminated. This year's budget also includes a golf fund recovery plan for the general fund. The Commission has ratified labor contracts. The City will honor those and address any wage adjustments that occur in the collective bargaining units as well as healthcare changes.

Water, sewer and storm drain adjustments were approved. The City of Great Falls has the lowest combined utility rate of any class 1 city in Montana. Rate adjustments are necessary to address facilities maintenance or replacement and also to meet discharge standards or treatment standards.

This year's budget is a 22% increase from last year's adopted budget, and 5.43% from the amended budget. The major difference is \$28 million dollars included for water treatment plant construction. That is 22% of the total proposed budget. Without that, there would actually be a decrease from the adopted budget of about 4.8%.

Fiscal Services Director Melissa Kinzler reported that prior to the adoption of the City's annual budget the City is required to hold public hearings on the intent to increase revenue from property taxation, and the proposed annual budget.



The City of Great Falls has a limited ability to increase property tax revenue because of a statewide property tax cap. Pursuant to Mont. Code Ann. § 15-10-420, the City is authorized to increase property tax revenue by “one-half of the average rate of inflation for the prior three years.” For Fiscal Year 2017 (Tax Year 2016) as provided by the Montana Department of Administration, the allowable inflationary adjustment is .5%. This amounts to \$70,515 of additional revenue.

Mont. Code Ann. §§ 15-10-420 and 2-9-212(2)(a) also allows property tax levy increases for premium contributions for group benefits. The City is proposing an additional 2.48% property tax levy increase for health insurance premiums. This would provide \$350,000 in additional revenue to help offset the health insurance increases in the General Fund. Health insurance premiums increased 12.8% for Fiscal Year 2017.

The total proposed allowable property tax levy increase is 2.98%.

The hearing on Resolution 10150 is the intent to increase property tax. Additional action by the City Commission will be needed in the future to set the increased mill levy. This will occur after the City receives its certified taxable value from the Montana Department of Revenue in August.

The fiscal impact of the proposed increase for inflation for a residential home with a taxable market value of \$100,000 would be approximately \$1.09 for Fiscal Year 2017. The fiscal impact of the proposed increase for the “Permissive Medical Levy” is \$5.58. The total impact on a residential home with a taxable market value of \$100,000 would be \$6.67 for the year. The fiscal impact of not authorizing the intent to increase for inflation mills to the General Fund would result in a revenue shortfall of \$420,515 for the proposed budget.

Staff recommends the City Commission conduct the public hearing and adopt Resolution 10150. Staff also recommends that the public hearing be conducted for Item 18, the annual budget resolution, consider any budget changes and adopt Resolution 10151.

Mayor Kelly declared the public hearing open.

No one spoke in support of Resolution 10150.

Speaking in opposition to Resolution 10150 were:

**John Hubbard**, 615 7<sup>th</sup> Avenue South, commented that tax increases are a burden on the tax payers. He further discussed deregulation and recession.

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue NE, commented that seniors on fixed incomes cannot afford a 2.98% increase. He further suggested a 17% general fund balance rather than 21%, commenting that those monies could be used to reduce the increase in taxes.

**Richard Liebert**, 289 Boston Coulee Road, suggested a strategic long range planning working group, and to postpone this item until Commissioner Burow is in attendance.

There being no one further to address the Commission, Mayor Kelly closed the public hearing

and asked the will of the Commission.

**Commissioner Houck moved, seconded by Commissioner Jones, that the City Commission adopt Resolution 10150, Intent to Increase Property Tax.**

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioner Houck noted that not one citizen phone call she received about agenda items pertained to the proposed property tax increase. One citizen was pleased that the City Commission and City staff were investing in our resources, and being proactive rather than reactive.

Commissioner Bronson commented that what is being discussed, ultimately, is an investment in this community. Local governments are here to provide core services like police and fire, parks and recreational opportunities, and water, sewer and storm water utilities. Those are key components of living in a worthwhile community. Without those resources and continuing to invest in them the City would not see the continued level of economic growth and improvement in the incomes of people in this community.

Motion carried 4-0.

**18. RESOLUTION 10151 - ANNUAL BUDGET RESOLUTION.**

City Manager Greg Doyon commented that the State does have a property tax cap that allows the City to raise \$70,000. In a general fund budget of roughly \$28-29 million and a total budget of \$120 million that is an incredibly small amount just for the normal and ordinary course of business costs.

The 17% fund balance is a minimum amount. What he is trying to stop happening by having a 21% fund balance is the general fund going negative during the course of the year while waiting for tax payments from Cascade County.

Manager Doyon further commented that he doesn't prepare a formal strategic plan, but has been presenting a "peek ahead" that gives the Commission and the community a sense of emerging issues that are on the radar screen. It outlines concerns that will have to be dealt with.

Mayor Kelly noted that this budget has been talked about in a public fashion for several work sessions that are all available online. The fiscal situation the City finds itself in now is a result of discipline and community effort working with the City and the limited resources the City was able to provide the last several years.

Mayor Kelly declared the public hearing open.

Speaking in support of Resolution 10151 were:

**Richard Liebert**, 289 Boston Coulee Road, noted he was neither a proponent nor opponent of Resolution 10151. As Chairman of Citizens for Clean Energy Mr. Liebert recommended that the

co-generation engine at the Wastewater Treatment Plant be put back online to produce electricity, and to hold Veolia and Stanley Consultants accountable. Mr. Liebert also suggested that the Commission amend Resolution 10072 to allow citizen use of multi-media during Commission meetings.

Mayor Kelly suggested that Citizens for Clean Energy meet with Public Works staff to discuss the technical and detailed specifics regarding the co-gen to understand the issue more fully.

Commissioner Houck stepped out at 8:47 pm and return at 8:51 pm.

**Brad Livingston**, Chamber of Commerce, 100 1<sup>st</sup> Avenue North, commented he has had the opportunity to prepare budgets as big as the City budget. He is impressed with the detail and work effort that is put into these budgets. With regard to core services, he believes public safety is number one.

Speaking in opposition to Resolution 10151 were:

**Michael Duchemin**, 9 Rimrock Lane, **Christy Scott**, 3104 Central Avenue, **Carole Ann Clark**, 1014 Durango Drive, **Betty Hoikkala**, 9 Rimrock Lane, **Ruthann Knudson**, 3021 4<sup>th</sup> Avenue South, **Ken Robison**, 315 Lamplighter Lane, and **Jane Weber**, County Commissioner, 325 2<sup>nd</sup> Avenue North, all spoke in favor of funding a full-time Historic Preservation Officer. They discussed the importance of cultural and heritage tourism; the knowledge base and expertise of an Historic Preservation Officer being instrumental in assisting businesses with securing funding and grants, and moving forward into the future while preserving our history and heritage; the importance of having a professional knowledgeable in federal and state regulations that is important to the preservation of resources and essential to the economic development that comes from preserving those resources; and the accomplishments of the past Historic Preservation Officer for the City of Great Falls and Cascade County. **Jane Weber** added that Cascade County has contributed \$18,750 in its interim planned budget for a full-time Historic Preservation Officer position with the caveat that the position not be shared with the Planning Department. Cascade County is willing to entertain additional contribution of this position should the City Commission choose to have a full-time position.

**Kathy Gessaman**, 1006 36<sup>th</sup> Avenue NE, spoke in support of the continued budget for the library and parks.

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue NE, doesn't like the budget, budget priorities or the process. He is not happy with the reserves, tax increase, increase in City Manager's salary, and that there isn't additional monies budgeted for the Library. He further expressed opposition to tax abatements and TIF districts.

**John Hubbard**, 615 7<sup>th</sup> Avenue South, commented that monies expended for ECP should be accounted for.

There being no one further to address the Commission, Mayor Kelly closed the public hearing and asked the will of the Commission.

**Commissioner Jones moved, seconded by Commissioner Houck, that the City Commission adopt Resolution 10151, Annual Budget Resolution.**

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioner Jones commented that he believes the City is going in the right direction and appreciates the efforts of staff.

Commissioner Bronson addressed concerns raised with regard to the Library budget. With regard to funding the Historic Preservation Officer's position, Commissioner Bronson noted that he authored a memorandum to brief fellow Commission members regarding the HPO position. He suggested that the Commission adopt the budget resolution as presented, but agree to express the Commission's goal of having a full-time Historic Preservation Officer position by the end of the fiscal year that works also with Cascade County, given the County has indicated a willingness to provide a higher allocation.

Commissioner Houck noted a citizen comment expressed to her included applauding the intention to put a police officer in the special victims unit.

After discussion, Mayor Kelly and Commissioners Jones and Houck concurred with Commissioner Bronson's approach with regard to the HPO position.

There being no further comments, Mayor Kelly called for the vote.

Motion carried 4-0.

Mayor Kelly recessed the meeting at 9:43 p.m. and called the meeting back to order at 9:49 p.m.

**19. ORDINANCE 3143, AMENDING TITLE 12, CHAPTER 24 OF THE OFFICIAL CODE OF THE CITY OF GREAT FALLS (OCCGF), PERTAINING TO RENAMING A STREET.**

Planning and Community Development Director Craig Raymond reported that the intent was to conduct a public hearing on Ordinance 3143 which would officially rename a portion of Choteau Avenue to Choteau Avenue NE. Unfortunately, there was an error in the notification to adjoining property owners as required by the newly adopted policy manual. In the interest of providing due process to any potential affected parties, staff requests that the City Commission vacate and reschedule the hearing date so that a proper notice of public hearing can be advertised and the adjoining property owners being notified.

**Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission vacate the public hearing set for July 19, 2016, and reset the public hearing on Ordinance 3143 for August 16, 2016.**

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly asked if there were any comments from the public.

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue NE, inquired the cost of readvertising the notice of public hearing.

Director Raymond responded that due process was worth the cost of readvertising.

Motion carried 4-0.

### **OLD BUSINESS**

20. **MEMORANDUM OF UNDERSTANDING (MOU) WITH NORTHWESTERN ENERGY FOR THE RELOCATION OF WATER MAIN IN CLARA PARK TO MAKE WAY FOR SUBSTATION IMPROVEMENTS. OF 1692**

Public Works Director Jim Rearden reported that this item is a Memorandum of Understanding between NorthWestern Energy and the City of Great Falls to relocate a water main in Clara Park. On October 6, 2015, the City Commission approved a land exchange in Clara Park to allow NorthWestern Energy to expand its existing substation. As part of the land exchange, a 16" water main that feeds the Ella Avenue water tower needs to be relocated. NorthWestern Energy has approached the City to design and construct the re-route. This MOU outlines responsibilities of both parties to facilitate that relocation. NorthWestern Energy will reimburse the City for costs related to the project. The estimated total cost of the project is \$214,000.

**Commissioner Jones moved, seconded by Commissioner Houck, that the City Commission approve a Memorandum of Understanding (MOU) with NorthWestern Energy to relocate water main currently located in Clara Park to allow for substation improvements, and authorize the City Manager to execute the MOU.**

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none Mayor Kelly called for the vote.

Motion carried 4-0.

### **NEW BUSINESS**

21. **CONSTRUCTION CONTRACT AWARD – 18<sup>TH</sup> STREET STORM DRAIN IMPROVEMENTS PHASE 2A – 1<sup>ST</sup> ALLEY SOUTH TO 4<sup>TH</sup> AVENUE SOUTH PROJECT. OF 1462.2**

Public Works Director Jim Rearden reported that this item is a request to award a construction contract to Phillips Construction to install approximately five blocks of 10' x 4' concrete box culvert and 66" diameter storm drain pipe. The project will extend from Central Avenue and 18<sup>th</sup> Street to 4<sup>th</sup> Avenue South and 17<sup>th</sup> Street.

This is Phase 5 of a series of projects to upgrade storm water facilities in the 18<sup>th</sup> Street South Storm Water Basin. The basin extends from the Grandview/Mount Olivet Cemetery area and discharges into the river at 15<sup>th</sup> Street North.

Bids were opened on July 6, 2016, with four bidders responding. Phillips Construction was the low bidder and has done numerous previous projects for the City. Staff recommends award of

the contract. The project will be paid for by City Storm Drain funds through a State Revolving Fund loan.

**Commissioner Houck moved, seconded by Commissioner Jones, that the City Commission award a construction contract in the amount of \$2,517,985 to Phillips Construction for the 18<sup>th</sup> Street Storm Drain Improvements Phase 2A – 1<sup>st</sup> Alley South to 4<sup>th</sup> Avenue South project, contingent upon Montana Department of Environmental Quality concurrence, and authorize the City Manager to execute the necessary documents.**

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

### **ORDINANCES/RESOLUTIONS**

**22. RESOLUTION 10153, RESOLUTION RELATING TO \$5,000,000 STORM DRAINAGE SYSTEM REVENUE BONDS (DNRC DRINKING WATER POLLUTION CONTROL STATE REVOLVING LOAN PROGRAM), SERIES 2016; AUTHORIZING THE ISSUANCE AND FIXING THE TERMS AND CONDITIONS THEEOF.**

Fiscal Services Director Melissa Kinzler reported that Resolution 10153 authorizes debt issuance from the Department of Natural Resources and Conservation (DNRC) for storm drain system upgrades in the amount of \$5,000,000. This includes construction and construction engineering. The terms of the debt issuance will be 2.50% per year for 20 years. The total yearly debt service payments will be approximately \$320,000. The storm drain rates adopted June 1, 2016, are capable of supporting this debt issuance.

The debt issuance will cover the construction contracts awarded July 5, 2016, to Williams Civil Division, Inc. for the South Great Falls Storm Drain Improvement project for \$2.2 million dollars and Item 21 herein for the 18<sup>th</sup> Street Storm Drain project for \$2.5 million dollars to Phillips Construction.

**Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission adopt Resolution 10153.**

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

**23. WEST BANK LANDING URBAN RENEWAL PROJECT.**

**A. RESOLUTION 10154, RESOLUTION OF INTENTION TO APPROVE AN URBAN RENEWAL PROJECT.**

**B. ORDINANCE 3145, ORDINANCE APPROVING AN URBAN RENEWAL PROJECT AND ASSOCIATED INFRASTRUCTURE IMPROVEMENTS IN THE WEST BANK**

**URBAN RENEWAL AREA AND AUTHORIZING FINANCING OF INFRASTRUCTURE IMPROVEMENTS WITH TAX INCREMENT REVENUE.**

Planning and Community Development Director Craig Raymond reported that this item is consideration of an application for reimbursement with public funds (Tax Increment Financing (TIF) Funds) for certain development costs associated with what is known as "West Bank Landing."

The applicant, West Bank Landing LLC, has submitted a TIF reimbursement application for approximately \$2.6 million of eligible TIF expenses to develop Phase 1 and 2 of the site. West Bank Landing will be developed immediately north of the adjacent West Bank One development and will incorporate the existing blighted site into a cohesive "village" of mixed-use businesses and residential property.

The plans call for construction of a distinctive, environmentally responsible development that enhances the Westside of Great Falls and complements the popular River's Edge Trail and West Bank One development. The applicant recognizes that this property provides a unique opportunity to create a development that showcases the Missouri River and needs to be attractive to both residents and new businesses.

The first phase of development includes demolition of existing structures and the cleanup of roughly 5.6 acres to accommodate construction of a new hotel, rehabbing an existing historic building for potential tenant(s), and site work for future commercial construction.

The project site has received EPA Brownfield funds to help facilitate the clean up of a substantially contaminated property which is directly adjacent to the Missouri River, River's Edge Trail, and West Bank Park.

This phase also includes construction of two new buildings, plus burying the power lines and other utilities for the rest of the development. Future phases include construction of mixed-use office/retail/restaurant buildings, as well as residential condominiums. As developers, the members of West Bank LLC are convinced that well-planned, environmentally responsible development along the Missouri River is not only feasible, but will be profitable. It will attract new businesses, create more jobs and draw local residents to the river and the core of the City.

Tax increment financing is a mechanism that allows communities to use new tax dollars resulting from increasing taxable value for reinvestment within the geographic area in which they are derived for a period of 15 years, or up to 40 years if the incremental taxes were pledged to the repayment of a bond. West Bank Urban Renewal Area is just one of five TIF districts within the City of Great Falls.

The West Bank Urban Renewal and Tax Increment Financing (TIF) District was adopted by the City Commission in 2007 and encompasses property on the west bank of the Missouri River on either side of the Central Avenue West Bridge. Within the West Bank Urban Renewal TIF District is the West Bank One site which consists of Staybridge Suites, Faster Basset, The Front Brewing Company and Kobe Restaurant. These projects also benefited from TIF support.

In order to approve TIF reimbursement requests, the applicants must demonstrate that they meet the criteria recommended in the Urban Renewal Plan as well as the Montana Code Annotated. To aid in this determination, the City of Great Falls' Tax Increment Application Process established twelve specific criteria to assess the merits of the project in relation to the Plan.

City staff and legal counsel from Dorsey & Whitney met to review the West Bank Landing TIF Application. After thorough review and evaluation of the Project and infrastructure improvements City staff has determined:

- No persons will be displaced from their housing by the Project or the infrastructure improvements.
- The Project and the infrastructure improvements substantially satisfy the review criteria of the funding application process and meet the purpose and goals of State Law, the District and Plan.
- The infrastructure improvements conforms to the comprehensive plan (or parts thereof) for the City as a whole.
- The infrastructure improvements constitute public improvements in accordance with State Law.
- A sound and adequate financial program exists for the financing of the infrastructure improvements.

Based on the foregoing, the requested action is that the City Commission adopt Resolution of Intent 10154, accept Ordinance 3145 on first reading and set a public hearing for August 2, 2016.

**Commissioner Jones moved, seconded by Commissioner Houck, that the City Commission adopt Resolution 10154.**

Mayor Kelly asked if there was any discussion amongst the Commissioners. He inquired the definition of resolution of intent.

Director Raymond responded that it is the intent to approve, but that the Commission will not take formal action until after a public hearing.

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

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue NE, suggested the use of a Special Improvement District (SID) in which the people in the area pay for the improvements, rather than a TIF District.

**Brad Talcott**, 2801 4<sup>th</sup> Avenue North, partner in West Bank, commented that this is an important project for the City of Great Falls. The land is blighted and TIF districts were set up for redevelopment. He thanked the efforts of City staff in moving this project forward which he believes will be a fine addition to the City.



Commissioner Houck requested clarification with regard to contamination of the property and set backs with the project.

Mr. Talcott clarified that the property has been studied since about 1991. He noted that at a meeting before legislators they were surprised that more efforts have not been put into this site considering the contamination is close to the Missouri River. He is aware of the challenges and has a plan to clean up the property. The project wouldn't happen if it wasn't in a TIF District.

Commissioner Houck applauded Mr. Talcott for taking on this project.

**Brad Livingston**, Chamber of Commerce, 100 1<sup>st</sup> Avenue North, commented that Paris Gibson recognized the power of the Missouri River in 1880 and what it could do for hydroelectric. He found a sponsor, James Hill, who invested in Great Falls. We are all committed to Great Falls. He applauded Brad and Linda Talcott and thanked those involved for investing their time, effort, and reputation. We have an opportunity to exceed other communities.

**Jane Weber**, County Commissioner, 325 2<sup>nd</sup> Avenue North, commented that the County has done some clean up on West Bank before putting it up for sale. The property was blighted. It was a piece of property that the County did not have the means to become developers to improve, and not even the means to finish the clean up itself. She was relieved when the Talcotts and consortium of folks put in a bid. She believes there will be a tremendous improvement which will improve the tax base over time.

There being no one further to address the Commission, Mayor Kelly called for the vote.

Motion carried 4-0.

**Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission accept Ordinance 3145 on first reading and set the public hearing for August 2, 2016.**

Mayor Kelly asked if there was any discussion amongst the Commissioners or comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

24. **RESOLUTION 10155, TEMPORARILY AMENDING THE ENFORCEMENT AND APPLICATION OF PORTIONS OF TITLE 10 OF THE OFFICIAL CODE OF THE CITY OF GREAT FALLS (OCCGF) PERTAINING TO THE CITY'S PARKING SYSTEM.**

Planning and Community Development Director Craig Raymond reported that, since March of this year, the Parking Advisory Commission (PAC) has been undertaking a significant review of the downtown parking program due to changes in the downtown landscape and revenue and fund challenges. While the PAC has not found the one silver bullet that will address all of our problems and satisfy everyone who is impacted by the parking program, it is making improvements to the program.

Throughout this process the need to experiment with different ideas while pursuing solutions for the bigger picture has been discussed. Suggestions are being offered to try out for a specific period of time.

Resolution 10155 asks the Commission to consider three things:

1) End the Residential Parking Enforcement Program. A little over a year ago, the City Commission approved establishing a \$25 fee for a residential parking pass in certain areas adjacent to the downtown core. This pass was good for a two year period of time. Although the fee was minimal there was a fair amount of public input received regarding this fee. The point wasn't so much the fee but more about whether that fee equaled the service the residents in this area actually received through enforcement and/or whether there was even a problem worth spending staff hours patrolling for. What the PAC suggested then was to end the residential parking program entirely for one year. Temporarily suspend any fees, requirements for passes and revert any time limits on parking on the City streets in these areas to the default 72 hours that exists City wide outside of the parking enforcement districts. Staff will remove the signs thereby avoiding any confusion about parking rules on these particular streets. Additionally, when and if a resident has a complaint about not being able to park in front of their house or someone else parking on the street all day long and walking downtown, there will be no response from the City.

2) Currently parking downtown is free on Saturdays. There is however 2-hour time limits enforced as usual. In order to cut costs associated with enforcement downtown and to perhaps promote different types of events downtown on Saturdays, the PAC suggests that the City Commission temporarily suspend enforcement of time limits at all metered locations on Saturdays, beginning immediately upon adoption of this Resolution until October 29, 2016. During PAC deliberations, there was concern about suspending enforcement of time limits along the Central Avenue corridor on Saturdays, as some retail establishments remain busy at this time and turn-over is still desired to promote retail parking availability in convenient locations to businesses. Ultimately, consensus was established and the PAC voted to make this recommendation in order to test parking behavior and impacts to businesses. To a certain extent we may also learn to what degree parking meters, time limits, fees and fines impact citizen support of the local downtown businesses, as well as downtown resident and employee parking behavior without enforcement.

3) Removal of parking meters in low demand areas. When staff and the PAC reviewed the results of an audit of meter revenue within the downtown parking district, it became apparent that some locations see very little traffic and use. The revenue collected in these areas does not support the costs associated with collecting the coins and enforcing the time limits, nor provide significant income for the maintenance of the parking facilities and assets. It also seemed to indicate that regular enforcement may not be beneficial to the adjacent businesses based on the low demand for parking in these areas. In order to decrease program costs, the PAC and staff are recommending that meters be removed and time limits suspended in specific areas for one year. Staff and the PAC will evaluate the extent of cost savings and the effects of parking behavior after these

changes.

There are many different constituents with differing needs in the downtown area that are affected by the parking program and parking regulations. The effort expended now will hopefully show fruit in the future through achieving goals of supporting and enhancing a unique blend of businesses, local shops, restaurants, entertainment venues and special events. The program is committed to enhancing the downtown experience for customers, residents and other stakeholders.

**Commissioner Houck moved, seconded by Commissioner Bronson, that the City Commission deny Resolution 10155.**

Mayor Kelly asked if there was any discussion amongst the Commissioners.

Commissioner Houck commented that the recommendations were set forth in the Commission's packet a week ago. The PAC met again yesterday and had some wonderful conversation and good feedback that, perhaps, this is not what they should be recommending or not recommending in tandem with one another. She would like this issue to go back to the PAC for clean up and more consideration and then brought back to the Commission.

Commissioner Bronson commented that if enforcement is going to be suspended, he would like consultation with people/businesses in those areas. One businessman expressed to him that if metered parking was suspended the area could become attractive to employees of downtown businesses, and that could potentially have an impact on businesses. With respect to commercial issues in downtown, Commissioner Bronson would like to see more interaction with the downtown business owners. He suggested it is not realistic for those business owners to attend PAC meetings. He further suggested engaging and surveying those business owners.

Commissioner Houck added that, at the meeting yesterday, the PAC identified additional changes that could be made, or extending parking hours. Because of the discussions at yesterday's PAC meeting, she is suggesting the PAC go back and make the recommendations stronger.

Commissioner Jones commented that his issue is with the residential parking program. The demographics have changed from single family dwellings to apartments. There needs to be more thought put into that aspect, or survey those residents. If the residential parking program is suspended, he expressed concern about the Police Department being inundated with 911 calls regarding parking complaints.

Director Raymond clarified that these recommendation are not the end all, be all solution by any means. The PAC meeting yesterday was just additional thought on top of what was prepared leading up to this recommendation. There are a lot of issues and possible solutions the PAC is trying to work through. What he is asking the Commission to consider is an experiment enacted on a temporary basis.

Mayor Kelly expressed concern about sending a message to the PAC that the work that they have done doesn't matter. He suggested that the matter come back before the Commission at a work session.

Commission Bronson suggested a substitute motion to the main motion that would allow time to address concerns and come back before the Commission first at a work session.

After further discussion, **Commissioner Bronson moved, seconded by Commissioner Houck, to postpone consideration of Resolution 10155.**

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

**Ron Gessaman**, 1006 36<sup>th</sup> Avenue NE, commented he was pleased to see this item on the agenda to finally get some action on the parking issue. It's not a revenue source in Great Falls. He recommended getting rid of parking meters, and proposed condos with regard to the parking garages.

There being no one else to address the Commission, Mayor Kelly called for the vote.

Substitute Motion carried 4-0.

### **CITY COMMISSION**

**25. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

There were no miscellaneous reports and announcements.

**26. COMMISSION INITIATIVES.**

There were no Commission initiatives.

### **ADJOURNMENT**

There being no further business to come before the Commission, **Commissioner Jones moved, seconded by Commissioner Houck, to adjourn the regular meeting of July 19, 2016, at 10:42 p.m.**

Motion carried 4-0.

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Mayor Bob Kelly

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City Clerk Lisa Kunz

Minutes Approved: August 2, 2016