

Regular City Commission Meeting

Mayor Winters presiding

CALL TO ORDER: 7:00 PM

PLEDGE OF ALLEGIANCE

MOMENT OF SILENCE

ROLL CALL: City Commissioners present: Michael Winters, Bob Jones, Bill Bronson, Bob Kelly and Fred Burow. Also present were the City Manager and Deputy City Manager; City Attorney; Directors of Fiscal Services, Library, Park and Recreation, Planning and Community Development, and Public Works; Housing Authority Executive Director; Fire Chief; Police Chief; 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. ****

NEIGHBORHOOD COUNCILS

1. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

There were no miscellaneous reports and announcements from representatives of neighborhood councils.

CONSENT AGENDA

2. Minutes, July 2, 2013, Commission meeting.
3. Total expenditures of \$3,726,129 for the period of June 27 through July 10, 2013, to include claims over \$5,000, in the amount of \$3,508,342.
4. Contracts list.
5. Grants list.
6. Lien Release list.
7. Set public hearing for August 6, 2013, on the 2013/2014 Business Improvement District Budget and Work Plan.
8. Set public hearing for August 6, 2013, on the 2013/2014 Tourism Business Improvement District Budget and Work Plan.
9. Approve Management and Staff Agreement with the Great Falls Housing Authority.
10. Award contract in the amount of \$98,000 to Thomas, Dean & Hoskins, PC for engineering services associated with the Central Montana Agricultural Technology Park Tax Increment Financing District infrastructure projects.

11. Accept the FY 2014 Traffic Signal Maintenance Agreement with the Montana Department of Transportation.
12. Postpone bid award for the janitorial services for the Public Works Complex.

Commissioner Burow moved, seconded by Commissioner Jones, that the City Commission accept the Consent Agenda as presented.

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

Richard Liebert, 289 Boston Coulee Road, requested a definition of a Tax Increment Financing District (TIF). He believes a TIF has the potential to reduce income to school districts and may have an impact on City services.

Mayor Winters directed Mr. Liebert to contact the City offices to make an appointment with staff for answers to his questions.

Mr. Liebert suggested refinancing electric fund debt with First Interstate Bank to reduce the 6.79% interest rate.

Commissioner Kelly responded that suggestion would be best made at an ECP meeting, but he believes it is a good idea if the loan can be refinanced.

Joan Redeen, Business Improvement District (BID), 13 5th Street North, thanked the Commission for their support of the BID 2013/2014 Budget and Work Plan and City staff for their assistance.

Karen Venetz, Tourism Business Improvement District (TBID), 939 2nd Street SW, thanked the Commission for their support to help the TBID move forward.

Ron Gessaman, 1006 36th Avenue NE, referenced item #2, and noted that Planning and Community Development Director Craig Raymond stated fees are substantially lower in Great Falls than other jurisdictions in Montana. Mr. Gessaman does not want to hear the Commission or staff state that Great Falls is business unfriendly.

There being no further comment, Mayor Winters called for the vote.

Motion carried 5-0.

BOARDS & COMMISSIONS

13. APPOINTMENTS, BUSINESS IMPROVEMENT DISTRICT BOARD OF TRUSTEES.

Commissioner Burow moved, seconded by Commissioner Bronson, that the City Commission appoint Mauri Novak and Mark M. (Mac) Smith to the Business Improvement District Board of Trustees to fill the remainder of four-year terms expiring June 30, 2016.

Mayor Winters asked if there was any discussion amongst the Commissioners or comments from

the public. Hearing none, Mayor Winters called for the vote.

Motion carried 5-0.

14. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

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

PUBLIC HEARINGS

15. RESOLUTION 10028, INTENT TO INCREASE PROPERTY TAX.

City Manager Greg Doyon presented a PowerPoint summary of the Fiscal Year 2014 Proposed Annual Budget. He noted the budget is an attempt to meet Commission goals.

Manager Doyon discussed budget drivers, the ECP settlement, and House Bill 454 that resulted in a budget increase of almost \$180,000. In order to meet some of the goals, he reported the proposed budget recommends using the inflationary factor and permissive medical levy. For a residential home with a taxable market value of \$100,000, the inflation allowance is \$4.58 and the permissive medical levy is \$5.73 annually.

Manager Doyon discussed the general fund budget and the difference between total personnel costs and general fund tax revenues to evaluate the level of services that can be provided. He provided a ten year full-time employee history.

Manager Doyon reported the proposed revenue increase is approximately 2.82% and a reduction of approximately 7% in expenses.

He discussed the general fund undesignated fund balance that the City needs to maintain to pay expenses while waiting for revenues. The proposed budget resolution provides a range of 8% to 17%, but the goal is to return to 17% as soon as possible.

Manager Doyon noted that alternatives to raising taxes include furloughs and full-time employee reductions.

Fiscal Services Director Melissa Kinzler reported Resolution 10028, Intent to Increase Property Tax, includes \$168,305 to utilize the 1.3% permissive medical levy and \$134,366 to utilize the 1.03% inflationary factor. She noted the permissive medical levy is for the prior increases in health insurance premiums in the general fund that the City is allowed under State Statute.

Mayor Winters declared the public hearing open.

Speaking in opposition to Resolution 10028 were:

Larry Rezendes, 2738 Fern Drive, believes additional reductions in expenditures should be explored rather than seeking additional monies from taxpayers after losing an extensive amount of money from ECP. He recommends the City explore appointing independent counsel to pursue recovery of that money.

Ron Gessaman, 1006 36th Avenue NE, questioned if revenue from the permissive medical levy is designated to the Health & Benefits Fund since that fund balance in the proposed budget will be reduced to approximately \$282,000. The previous Fiscal Services Director stated the fund reserve balance must be approximately \$2 million.

Manager Doyon responded the goal in previous years was to maintain about a \$2 million fund balance in health insurance. The City recently accepted a bid from MMIA for employee health care benefits, and the fund will dissolve after payments are made for employee health care claims from the prior fiscal year.

Ms. Kinzler reported the permissive medical levy will go to the general fund because health insurance premiums are paid out of that fund.

Keith Ochs, 1507 3rd West Hill Drive, does not believe that a tax increase is needed at this time. He questioned the opportunities for the public to attend budget discussions. He believes the public would be better served with a town hall meeting to discuss taxes. Mr. Ochs also discussed the national debt.

Judy Tankink, 3620 9th Avenue North, commented the City Charter does not require a Deputy City Manager. She believes the position should be eliminated and the cost savings would pay for the expenses of the four additional police officers.

She also stated that employees in the private sector must pay increases in health insurance premiums.

Ms. Tankink believes the Commission should cut from their 2013 goals support for the annual employee picnic, and exploring and reporting on potential performance packages for managers.

She urged the Commission to not raise taxes on taxpayers who are struggling to make ends meet.

Mayor Winters reported the City Commission has decided there will not be an employee picnic this year, even though a large amount of that event was donated.

Rudolph Tankink, 3620 9th Avenue North, discussed gas, food, and utility price increases. He believes the City can do a better job at reducing expenses and controlling taxes.

Don Ensley, 510 3rd Ave. SW, discussed the proposed lack of funding for community concerts and the previous funding cuts for RiverFest and fireworks. He inquired on the cost of running the Animal Shelter.

Manager Doyon responded the annual cost to run the Animal Shelter is approximately \$504,000.

Mr. Ensley believes that \$504,000 is an excessive amount to run the Animal Shelter, and he does not believe the City needs a \$100,000 assistant for the City Manager. The City must find ways to cut expenses, without cutting petty amounts that benefit the community. The population of Great Falls is getting older and they are living on fixed incomes.

John Sturgeon, 121 2nd Street NW, Chairman NC3, stated that he will not run again for Neighborhood Council because he believes the Commission does not pay attention to issues expressed by council members at commission meetings.

Mr. Sturgeon noted a City car was parked and running at the Civic Center for 45 minutes last week, with no one in it. As a person on a fixed income, he stated opposition to the increase in taxes. He suggested the issue be added to the ballot.

Mayor Winters responded that Neighborhood Councils have been asked to report to the City Commission at least on a quarterly basis. He noted that staff and Commission members also live in the City and must “bite the same bullet as everyone else”.

Speaking in favor of Resolution 10028 were:

Rhonda Wiggers, 3208 2nd Avenue South, speaking on behalf of the Great Falls Chamber of Commerce, thanked the Commission for the austere budget. She also thanked the police officers that she lives in a community where she can leave her car running when going to the grocery store and know that it will still be sitting there when she returns.

Ms. Wiggers noted that property taxes were frozen in 1986 and the legislature came up with a method that allows local governments to only increase by newly taxable properties and one-half of the average of the last three years of inflation. She discussed the increased expenses of local governments since 1986.

Ms. Wiggers commended staff for looking at ways to decrease health care costs. There are jurisdictions that mil 27 and 28 mils that provide nice health care policies. She reported Great Falls mils less than Bozeman, Missoula, and Helena, even with the increase.

She commended the City for focusing on the core services of police, fire, water, sewer, and roads.

Katie Hanning, 3217 4th Avenue North, commended Planning and Community Development Director Craig Raymond for his efforts to assist builders. She reported they are building, and that is a good thing.

There being no one else to address the Commission, Mayor Winters closed the public hearing.

Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission adopt Resolution 10028.

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

Commissioner Bronson commented that the ability of local government in Montana to provide the basic services that most people want is hamstrung by state laws to raise the appropriate amount of revenue. The option of the inflationary factor is always less than the annual consumer price index increase and less than the cost of living adjustment for federal benefit programs.

He also commended staff for their efforts in putting together an “austere” budget.

Commissioner Bronson questioned if critics have spent time to find out what the Deputy City Manager does each day. Every day staff produces an excellent result using a very thin budget.

Commissioner Burow noted that quality workers cost money. He discussed the need to provide services for stray animals, parks, swimming pools, golf courses, etc. and the resulting expenses.

Mayor Winters commented that as a senior on a fixed income, he must pay also pay for a tax increase. He believes that people have become entitled, wanting someone else to provide for our enjoyment at no cost to us. He noted examples where the community stepped up to provide fireworks and to save the Natatorium after the City could no longer afford to provide those services. The City belongs to the citizens and he urged volunteerism. He reported that his family plans to donate \$100 tomorrow night to the Great Falls Municipal Band.

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

Motion carried 5-0.

16. RESOLUTION 10029, ANNUAL BUDGET RESOLUTION.

Fiscal Services Director Melissa Kinzler reported that the City started the Fiscal Year 2014 budget process with an initial City Commission priority setting session in April, 2013. The City Commission set informal budget priorities for the Fiscal Year 2014 Budget. This session was open to the public.

The Department's requested budgets were presented to the City Manager May 8 through May 22, 2013. On June 18, 2013, the City Manager presented a Budget Presentation at the City Commission Work Session.

From these meetings and through the City Manager's direction, the Fiscal Year 2014 Budget was balanced. The Proposed Fiscal Year 2014 Budget was presented to the City Commission on July 2, 2013, at the City Commission Work Session. An additional budget work session was held July 8, 2013.

The setting of the tax levies is scheduled for when the Montana Department of Revenue has certified taxable values for the City of Great Falls, usually the second meeting in August.

Staff recommends the City Commission conduct the budget hearing, consider any budget changes which may be recommended during the budget hearing, and adopt Resolution 10029.

Mayor Winters declared the public hearing open.

Speaking in opposition to Resolution 10029 was:

Larry Rezendes, 2738 Fern Drive, agreed the reductions that have been proposed could have been significantly increased and would have covered the needs that were just approved for a tax increase.

He discussed the City's loss of money from ECP. He believes the City should negotiate an outcome with ECP customers for monies owed.

Commissioner Jones responded that efforts have been made to contact some ECP customers who left prior to the contract being due, and others will be contacted to try to negotiate rather than sue and incur legal costs. Some of the companies are under new ownership, which involves other issues.

Commissioner Jones noted that many of the contracts ended legally including Great Falls Public Schools, Benefis Healthcare, and Meadow Gold Dairy. He added that some of the contracts were poorly written, which limits negotiation efforts.

Mr. Rezentes commented that the process of collecting receivables becomes more difficult as time elapses.

Rudolph Tankink, 3620 9th Avenue North, commented that staff is paid to work diligently and hard on the budget every year because that is their job.

Kathleen Gessaman, 1006 36th Avenue NE, believes some City services are tradition, not entitlement. When citizens pay their taxes, those services are expected to be provided as part of living in a city.

She noted that in past years the public was provided the opportunity to listen to presentations by directors of departments. She believes the Commission should make sure the public is included in the budget process.

Ms. Gessaman noted the Commission budget increased over two years from \$122,000 to \$179,000. She believes there is money in the budget for the Municipal band. She also disagreed with the previous decision to cut Cable 7 from the budget.

Mayor Winters responded that there is no ordinance or agreement to provide funding for the Municipal band. He believes entitlement is expecting to get something that is paid for by others.

Ms. Gessaman disagreed with Mayor Winters comment.

Ron Gessaman, 1006 36th Avenue NE, questioned why the City Manager would plan to raise the fees on lighting districts by 10% when there are over \$2 Million in reserves in that fund, and the reserves seem to be increasing by about \$500,000 per year.

City Manager Doyon responded that he does not raise taxes and that his function is to recommend a budget and revenues for that budget to the Commission.

Director Kinzler explained the proposed increases to the lighting district assessments are because some assessments are paid in December and some are paid in June and a higher fund balance is needed for cash flow to meet expenses when they are due. The fund balances will be reviewed again once a different electricity contract is in place.

Mr. Gessaman questioned the increased Commission budget from \$122,000 to \$179,000.

Manager Doyon responded the increase was related to the need to budget for a possible primary

election. There will not be a need for a primary election, so he recommended the amount remain in the general fund to rebuild the fund balance.

Mr. Gessaman questioned the projected 2014 investment income for the Lighting Districts Fund, the Street District Fund, and the West Bank TIF. He believes there are thousands of dollars of investment income that can be added to the All Funds Combined Investment Income in the proposed budget.

Mr. Gessaman noted the 2014 cable company franchise fee payment is \$813,750; the 2014 budget for City 7 is \$14,422. He believes the public deserves to have every City meeting broadcast, including the Work Sessions because those sessions are the only opportunity for the public to hear discussion from the Commissioners.

Judy Tankink, 3620 9th Avenue North, noted that no one knows how hard citizens work to pay their bills. She requested appreciation for citizens who attend Commission meetings to provide their opinions.

John Hubbard, 615 7th Avenue South, discussed government accountability and City mismanagement of funds. He stated opposition to increased taxes and utility rates.

Don Ensley, 510 3rd Ave. SW, believes all cities are obligated to provide police and fire protection. He also believes the bureaucracy in Great Falls is growing faster than the population, and cuts are being made to those services enjoyed by ordinary people. He also does not believe the Natatorium should have to operate with volunteer help.

He questioned the number of staff in the Engineering Department. City Manager responded that number is 14.05.

Mr. Ensley noted the City at one time trimmed boulevard trees every two or three years, and now only every 10-15 years. He believes the City does not need a resident Forester.

Mr. Ensley believes the number of management staff should be reduced to pay for services that citizens enjoy. He also believes those services are paid for through taxes and are not an entitlement.

Sam Boor, 15 Trapper Valley Road, believes the Municipal band and similar assets could attract people to the community.

Speaking in favor of Resolution 10029 were:

Rhonda Wiggers, 3208 2nd Avenue South, speaking on behalf of the Great Falls Chamber of Commerce, referenced comments made on the budget at the public hearing for Resolution 10028.

Katie Hanning, 3217 4th Avenue North, believes the best thing that could happen for the Municipal band would be to take the government out and let the private sector build that service. She will also donate \$100 to the Great Falls Municipal Band.

Richard Liebert, 289 Boston Coulee Road, suggested a public safety levy for police and fire. He questioned if the Legal Department has the fire power to seek repayment of ECP debts.

Commissioner Jones responded that he believes it does.

City Attorney Sara Sexe noted outside counsel is also involved.

Mr. Liebert stated the broadcast of City 7 should be expanded to include all public proceedings whenever possible to provide greater transparency. He agreed that public meetings should again be held with directors of departments to engage the public in the budget process. He believes the public should not be chastised when presenting grievances at meetings. He also believes personnel cutbacks may need to be considered. He suggested the *Tribune* do a news story on job responsibilities of the Deputy City Manager.

Mr. Liebert referenced the June 4, 2013, Agenda Report for Resolution 10019 for the Southern Montana settlement and the lack of an alternative presented. He believes that a public discussion on alternatives better serves the public.

Mr. Liebert suggested asking Calumet Montana Refining LLC to sponsor the Municipal band.

Written comments in opposition to Resolution 10029, regarding cutting funding for the Municipal Band, were received from **Dana Kirkmeyer**, no address provided; **Shirley Goff**, no address provided; **Sharon Mueller**, no address provided; and **Jennifer Gooldy**, no address provided.

There being no one else to address the Commission, Mayor Winters closed the public hearing.

Commissioner Jones moved, seconded by Commissioner Bronson, that the City Commission adopt Resolution 10029.

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

There being no further comment, Mayor Winters called for the vote.

Motion carried 5-0.

Commissioner Kelly stepped out at 8:51 p.m. and returned at 8:54 p.m.

Mayor Winters stepped out at 9:04 p.m. and returned at 9:07 p.m.

Commissioner Bronson stepped out at 9:12 p.m. and returned at 9:15 p.m.

Mayor Winters called for a recess at 9:28 p.m.; he called the meeting back to order at 9:33 p.m.

OLD BUSINESS

NEW BUSINESS

17. IMPLEMENTATION OF THE PASSPORT PARKING PROGRAM.

Planning and Community Development Director Craig Raymond reported that the City completed the Downtown Master Plan in 2012. As a part of that study, the community recommended a parking study be undertaken in order to assess the condition of the parking program and consider

recommendations to improve the operation of the program. On January 14, 2013, Walker Parking Consultants released the final draft of the parking study. The study made several recommendations including replacement of cash-only meters with newer electronic meters that accept credit card payment along with traditional coin payment. Further, the study stated the City may need to increase meter fees slightly as necessary to cover credit card transaction costs.

Staff researched options for providing a system that would allow the use of credit or debit card payment, including upgrading the meters, which was too cost prohibitive. Staff ultimately implemented Passport Parking for a pilot program, which gives customers the option to pay with their credit/debit cards using their smart phones or other electronic device. With this program, the City does not need to upgrade the existing meters; rather there is a sticker placed on the existing meters which explains the program to customers.

Those who choose to use the Passport Parking option simply download an app on their smart phones or other handheld devices such as an iPad. Once the app has been set up, the customer simply enters which parking stall they are in and how much time they wish to purchase up to the current 2-hour time limit.

The customer pays an additional \$.25 cents to Passport Parking above the standard parking rate each time they utilize this service. Initially, the pilot program also set a \$.35 cent merchant processing fee for credit card processing. This cost was a significant hindrance to the success of the program. After expressing concerns to Passport Parking, they agreed to pay all merchant processing fees.

The Passport Parking program offers a number of opportunities for downtown Great Falls including:

- An opportunity to create an additional level of customer service in downtown Great Falls. Customers may be more likely to visit downtown businesses more frequently, and perhaps stay longer, knowing they do not have to keep change with them. In addition, with Passport Parking, the customer can use their phone or other device to add time to the meter, up to the maximum 2-hour limit, without walking back to the meter to insert coins. Providing good customer service may lead to return customers, which may in turn lead to a more flourishing downtown.
- Passport Parking also provides an opportunity for a validation program with downtown businesses. Business owners can purchase a monthly amount of parking and in turn offer a validation option to customers for conducting business at their establishments.

On June 24, 2013, the Parking Advisory Commission recommended the City Commission deny the implementation of the Passport Parking program due to concerns related to the on-going costs of the program, primarily the merchant processing fees assumed at the time. Due to the commitment from Passport Parking to offset costs, staff recommends that the City Commission approve the implementation of the Passport Parking program. Additionally, staff has updated the Parking Advisory Commission with the new terms of an agreement with Passport Parking and they are in general agreement to approve the program, but did not take a formal vote on the matter.

Commissioner Kelly moved, seconded by Commissioner Jones, that the City Commission

approve the implementation of the Passport Parking program.

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

Commissioner Burow questioned if the increased costs will lead to increased parking fees. He also questioned if there will still be a time limit on meters.

Director Raymond responded the 2-hour time limit will still be enforced, whether payment is made using Passport Parking or with coins. He does not believe Passport Parking will lead to increased parking fees because the \$.25 additional cost will be borne by those who choose to use the program, and also Passport Parking agreed to pay all merchant processing fees.

Manager Doyon commented the service will not cause increases. He noted the need for capital improvement in the facilities has been discussed every year.

Hearing none, Mayor Winters asked if there were any comments from the public.

Ron Gessaman, 1006 36th Avenue NE, believes parking fees impede people coming downtown to do business. He questioned the merchant processing fees, the pilot program statistics, and the time it takes for a parking attendant to verify whether or not a meter has been paid.

Manager Doyon questioned if Director Raymond recalled a recommendation from the Parking Advisory Commission to remove the parking meters.

Director Raymond responded that he did not. He reported that no additional staff will be needed.

John Hubbard, 615 7th Avenue South, reported that his wife moved her business because customers did not want to pay parking fees.

There being no further comment, Mayor Winters called for the vote.

Motion carried 4-1 (Mayor Winters dissenting).

ORDINANCES/RESOLUTIONS**PETITIONS AND COMMUNICATIONS****18. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

- A. Alma Winberry**, 423 15th Street South, read a statement she authored regarding her belief that the Commission is not responsibly following their oath of office.
- B. Ron Gessaman**, 1006 36th Avenue NE, referenced the July 2, 2013, City Commission meeting wherein his name was mentioned during a discussion by Mayor Winters regarding a phone message he had received filled with misguided information, accusations and half-truths. Mr. Gessaman believes there was indication that he was the person passing out the half-truths. He provided a copy of a City document and he believes information provided by the public was correct.

Mr. Gessaman also provided a handout of an e-mail he received, and he believes the Commission is

unpopular because they are untrustworthy.

- C. **John Hubbard**, 615 7th Avenue South, discussed wasting money on repairing streets that do not need repair; planting trees and grass in the middle of a median; purchasing a new, used fire truck, new police cars, dump trucks, and pickup trucks; better insurance for City employees; and additional police officers. He also discussed government accountability.

CITY MANAGER

19. **MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Deputy City Manager Jennifer Reichelt reported there is currently an overflow of cats at the Animal Shelter. The adoption fee is \$40 through the end of July.

Mayor Winters welcomed City Attorney Sara Sexe, and she thanked the Commission for the opportunity.

CITY COMMISSION

20. **MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Mayor Winters referenced a *Tribune* editorial about the lack of candidates for the upcoming vacancies on the City Commission and recent letters to the editor. He read one letter noting that Great Falls is a kind city.

21. **COMMISSION INITIATIVES.**

There were no Commission initiatives.

ADJOURNMENT

There being no further business to come before the Commission, **Commissioner Jones moved, seconded by Commissioner Kelly, to adjourn the regular meeting of July 16, 2013, at 10:08 p.m.**

Motion carried 5-0.

Mayor Michael J. Winters

Deputy City Clerk Lucy Hallett

Minutes Approved: August 6, 2013