

Regular City Commission Meeting

Mayor Winters presiding

CALL TO ORDER: 7:00 PM

PLEDGE OF ALLEGIANCE – Marine Corps League Honor Guard

PRESENTATION: Mayor Winters was presented a 10-Year Membership Certificate from the Marine Corps League, Great Falls Detachment #688.

MOMENT OF SILENCE

ROLL CALL: City Commissioners present: Michael Winters, Bill Bronson, Fred Burow, Bob Jones and Mary Jolley. Also present were the City Manager; City Attorney; Directors of Fiscal Services, Planning and Community Development, and Public Works; Police Chief; and the Administrative Secretary.

PRESENTATION: Mayor Winters presented Robin Baker with a Certificate of Appreciation for her service on the Advisory Commission on International Relationships. Historic Preservation Officer Ellen Sievert accepted a Certificate of Appreciation from Mayor Winters, on behalf of Dr. J. Douglas (Jerry) McKinney, for his service on the Historic Preservation Advisory Commission. Ms. Sievert also provided a handout of the latest brochure of the Historic Lower North Side Residential Walking Tour.

PROCLAMATION: Mayor Winters read proclamations for Arbor Day and National Crime Victims' Rights Week.

**** 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.

- A. Johnathon Kenneway**, NC 3, thanked Mayor Winters for attending its last meeting, and the public for their attendance at the Hideout party in support of parks. He announced the next meeting is May 3, 2012, 7 p.m., Riverview School.
- B. Mike Vohs**, NC 7, reported there was a presentation on legislative redistricting at its April 10, 2012, meeting. He encouraged attendance at the public presentation on April 18, 2012, 7 p.m., Civic Center. He also noted NC 7 has a vacancy and encouraged eligible citizens to attend the May 14, 2012, meeting, 7 p.m., Civic Center. Mr. Vohs reviewed a neighborhood concern brought forth by Councilman Super regarding an incident on his rental property where a vehicle was pulled over by the police.
- C. Eric Ray**, Chair, NC 5, provided an update on air quality concerns between Benefis Corporation and the neighborhood. He reported the Cascade Ridge construction project problem has greatly diminished, and observation and enforcement will continue. He thanked the City Commission for their oversight.

Commissioner Bronson, as the City Commission representative on the City-County Board of Health, noted monitoring will continue and appropriate measures will be taken.

BOARDS & COMMISSIONS

2. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

There were no miscellaneous reports and announcements from representatives of Boards and Commissions.

PUBLIC HEARINGS

3. 2012/2013 CDBG AND HOME ANNUAL ACTION PLAN.

Planning and Community Development Director Mike Haynes reported the Community Development Council (CDC) made recommendations on the Annual Action Plan for allocation of 2012/2013 CDBG and HOME funding after hearing requests for funds from all eligible applicants and then meeting to prioritize funding requests. As required by statute, public hearing notices were published in the Great Falls Tribune on April 1, April 11, and April 15, 2012, and in the Consumer Press on April 12, 2012. The federal government is shrinking these grant programs while community needs continue to grow. Requests for CDBG funding this year exceeded available funds by a ratio of almost 2:1. The specific funding recommendations are attached to the agenda report and were outlined in detail at the City Commission Work Session held on March 15, 2012.

Mayor Winters declared the public hearing open.

Speaking in opposition were:

Steve Johnson, 7333 Flightline Drive, believes there are too many strings attached to the Plan.

Speaking in favor were:

Nancy Wilson, Program Manager for Meals on Wheels, reviewed the contributions of the program and thanked the City for its support.

Shyla Patera, 1701 1st Street NW, requested support of low income and moderate income housing as an accessibility need for Great Falls. She expressed appreciation of all Community Development programs. As a representative of North Central Independent Living, Inc., she noted she will follow with written comments.

Brett Doney, Great Falls Development Authority, thanked the Planning and Community Department for researching other cities' use of CDBG funds that showed microenterprise technical assistance to help create private sector jobs for low and moderate income residents meets HUD regulations as well as City Commission guidelines.

Judy Tankink, NC4, reported that at a special meeting held last night they unanimously agreed to endorse the CDBG grant to make needed improvements to Pinski Park.

Sheila Rice, NeighborWorks Great Falls, thanked the CDC for their efforts and the City Commission for maintaining the housing slice in the CDBG funding, and looks forward to working with the City next year to increase the capital available for rental rehabilitation downtown.

Heidi Gibson, 25 Watson Lane, spoke in support of the Center for Mental Health, 626 Central Avenue West. She reviewed the contributions of the Center and reported that approximately 86% of the people they serve are low and moderate income.

Mark Sanders, P.O. Box 327, spoke in support of more visible houses.

Ron Gessaman, 1006 36th Avenue NE, expressed support of the procedure for this public hearing and would like the City Commission to withhold action until the following meeting for all public hearings to allow sufficient time for consideration of the testimony.

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

Commissioner Bronson moved, seconded by Commissioner Burow, that the City Commission close the public hearing and schedule action on the Final Annual Action Plan for May 1, 2012.

Mayor Winters called for the vote.

Motion carried 5-0.

4. RESOLUTION 9955, ESTABLISHING WATER, SEWER AND STORM DRAIN UTILITY SERVICE RATES EFFECTIVE MAY 1, 2012.

Public Works Director Jim Rearden and Craig Caprara, HDR Engineering, provided a PowerPoint presentation on the City of Great Falls 2012 Utility Rate Analysis. The proposed rates were presented to the Commission at the March 6, 2012, Work Session and the public hearing was set for this evening. Public notices were mailed three times, individual customer notices were mailed in the utility bills, and staff provided a second presentation of the proposed rates on April 10, 2012. The public hearing is being held tonight and proposed rates would take effect May 1, 2012.

Mr. Rearden noted that MaltEurop's new industrial sewer rate is included in Resolution 9955 and is retroactive to July 1, 2010. That rate will increase from \$1.11 to \$1.53 per cubic feet; extra-strength charges are in addition to that rate.

Mayor Winters declared the public hearing open.

Speaking in opposition to Resolution 9955 were:

Tammy Matzat, 1605 7th Avenue North, requested the City test her water because it smells like sulfur. Mr. Rearden stated that would be done. He also reviewed routine testing requirements. Mayor Winters asked Mr. Rearden to report back to the Commission with the findings.

Kathleen Gessaman, 1006 36th Avenue NE, requested use of the approximate \$400,000 retroactive sewer fees from MaltEurop to reduce the sewer rate increase. She questioned the commercial rate of \$1.53 that MaltEurop is charged while other businesses are charged \$2.20.

Bill Boland, 3401 4th Avenue North, stated opposition to raising rates after observing a Water Department truck cleaning the streets when it was raining and also dumping thousands of gallons of water when servicing Boston Heights water tower. He agreed the City needs new sewer pipes and clean water.

Mr. Rearden responded street sweeping works best when it is raining, however, the streets still need to be flushed when they are being swept. He added the Boston Heights tanks are being taken out of commission and the water could not be put back into the system because it would have to be pressurized.

John Hubbard, 615 7th Avenue South, estimated the water plant mil increases and the coal plant and ECP losses at \$44.7 million. He believes the City needs clean water but did not know the sewer dumps into the river.

Mr. Rearden reported the City is not allowed to dump sewage into the river. He noted the total cost of improvements at the Wastewater Plant is estimated to be \$18.7 million.

Ron Gessaman, 1006 36th Avenue NE, noted the recent Veolia report showed staff is doing a very good job operating the sewer plant. The report also showed significant slip of stormwater into the intake of the plant. He also expressed concern regarding fairness with the Malt Plant 2005-2010 fixed rate contract since other commercial and residential customers received an annual increase. Also, the \$1.53 rate under the new contract for the Malt Plant compares to \$2.20 for other commercial customers under the proposed rate. He also questioned the rate study done by Red Oak.

Mr. Rearden reported there have been several projects since the early 1990's to separate storm drains from sewer mains and to line sewers to reduce infiltration inflow. He noted the Malt Europ rate was not negotiated, rather based on a cost-of-service study according to national guidelines. He added a comprehensive rate study for all classes of customers will be completed in about two years when the projects at the wastewater plant are completed. The study will look at proportional impacts on the system.

Mike Witsoe, 510 11th Street South, noted he has not received responses to inquiries on the effluent that leaves the Malt Plant, nor water going in and coming out. Mr. Witsoe noted the Malt Plant rate and questioned welding covers on sewer access points and deterioration problems in pipes. He expressed concern about sewer treatment items. He requested a tour of the sewer plant. Mr. Witsoe stated opposition to Resolution 9955.

Mr. Rearden stated he had not seen questions from Mr. Witsoe regarding the Wastewater Treatment Plant, but would be happy to respond to his questions and provide a tour of the plant. He commented Missoula had the lowest median household income based on the economic analysis that was done.

Rudolph Tankink, 3620 9th Avenue North, expressed concern the five year proposed rates will bring Great Falls rates up to those of other cities. He reported a number of people visited the sewer plant recently.

City Manager Greg Doyon asked how people can arrange tours of the facility. Mr. Rearden

responded arrangements are made with Veolia. Mr. Rearden added other cities are looking at required projects.

Speaking in favor of Resolution 9955 were:

Sheila Rice, 913 3rd Avenue North, commented that from her 24 years of rate-making in the utility business, a cost-of-service study is done for certain customers with unique characteristics, however, no one gets a good deal.

Brett Doney, Great Falls Development Authority, 300 Central Avenue, stated support for the gradual, incremental increases to keep pace with EPA and DEQ requirements and physical upkeep. He commended Public Works for driving down breakage issues.

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 9955.

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

Commissioner Burow questioned if a qualified engineer recommended the ultraviolet treatment.

Craig Caprara, HDR Engineering, stated he has been a licensed professional engineer in Montana since 1990, with 25 years experience in the wastewater industry. HDR Engineering and Morrison-Maierle both have technical experts in the field of disinfection of wastewater. He reported the expert who has helped with the evaluation has worked in the disinfection industry for a quite a few years and is very knowledgeable. He added every major wastewater facility in Montana and most small wastewater treatment plants have ultraviolet light disinfection. The technology has been used increasingly the last 15 years and has been very effective.

Commissioner Jolley noted Malt Europ's rates are proposed to increase with future annual percentage rates, and the extra-strength charges were more significant with the proposed Option A.

Mayor Winters called for the vote.

Motion carried 5-0.

5. **RESOLUTION 9964, NEW OR EXPANDING INDUSTRY TAX BENEFIT, 1408 52ND STREET NORTH.**

Planning and Community Development Director Mike Haynes reported that the applicant, Steel Etc., has requested approval of an application for a New or Expanding Industry Tax Benefit. Steel Etc. has submitted an application affirming they qualify for the tax benefit and requests the City Commission approve the tax benefit for approximately \$38,000 in miscellaneous taxable personal property investments in computer software, signature pads, and an ATM machine. As required by statute, public hearing notices for this proposed action were published in the Great Falls *Tribune* on March 25 and April 8, 2012.

On August 4, 2009, City Commission approved annexation of the developed portion of the Steel Etc. property. On August 17, 2010, the City Commission approved the New or Expanding Industry Tax Benefit for approximately \$3.2 million worth of improvements including construction of a new business office building, steel sales building, scrap and recycling building, and installation of utilities. On September 6, 2011, the City Commission approved the New or Expanding Industry Tax Benefit for approximately \$79,000 in similar personal property investments. It should be noted that a concurrent application has been made to Cascade County Commissioners for tax abatement on over \$1.5 million of heavy equipment investments on the portion of the Steel Etc. property that remains in unincorporated Cascade County. The requested New or Expanding Industry Tax Benefit would provide Steel Etc. with property tax abatement on a portion of the additional city property taxes generated by the new investment. The discount on new property taxes would be 50% in years 1-5, 40% in year 6, 30% in year 7, 20% in year 8, and 10% in year 9. In year 10 and in subsequent years, 100% of the additional property taxes resulting from the new development would be payable. The City Commission established a policy to approve tax abatements for qualifying new and expanding industries in Resolution #8967 adopted in July 1998.

Mayor Winters declared the public hearing open.

Speaking in opposition to Resolution 9964 was:

Ron Gessaman, 1006 36th Avenue NE, stated opposition under the conditions specified to Steel Etc. Per federal guidelines, software is only eligible for depreciation for three years and full taxes will never be collected. He noted MCA 15-24-1402(2)(c) and believes Resolution 9964 does not meet those requirements. He also noted the loss of tax benefits under MCA 15-24-1402(4). Mr. Gessaman commented that a governmental body has the right to deny the proposed tax benefit.

Mr. Haynes reported the application was made through the Department of Revenue and the investments were found to be eligible for the tax abatement. The City Commission can repeal the 1998 resolution and deny the application.

Speaking in favor of Resolution 9964 was:

Brett Doney, Great Falls Development Authority, 300 Central Avenue, noted the tax benefit is an expectation that is factored in when companies are deciding to invest in Great Falls.

Karen Grove, 1816 1st Avenue North, applauded the many contributions that Steel Etc. has made to the community. The tax benefit they are requesting will help them compete in their industry.

Mike Witsoe, 510 11th Street South, agreed with the many contributions Steel Etc. has made. He expressed concern over the loss of revenue in the current economy.

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 9964.

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

Commissioner Jolley commented that state law was followed and encouraged business owners to apply for tax benefits. She believes this will be an addition to the school tax base.

Commissioner Burow noted the city could lose the status of being anti-business.

Mayor Winters called for the vote.

Motion carried 5-0.

OLD BUSINESS

NEW BUSINESS

ORDINANCES/RESOLUTIONS

CONSENT AGENDA

6. Minutes, April 3, 2012, Commission meeting.
7. Total expenditures of \$1,243,245 for the period of March 29-April 11, 2012, to include claims over \$5,000, in the amount of \$1,042,854.
8. Contracts list.
9. Award a contract in the amount of \$304,540.40 to Missouri River Trucking & Excavation Inc. for the Northwest Storm Drain Improvements Phase 4 – 6th Street NE Storm Water Detention Pond.
OF 1617.1
10. Postpone bid award for two new 2012 motor graders.

Commissioner Jolley moved, seconded by Commissioner Burow, that the City Commission approve the Consent Agenda as submitted.

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

Ron Gessaman, 1006 36th Avenue NE, questioned \$400 per month for a software lease agreement to keep track of animals with regard to Item 8F.

Mr. Doyon noted the typographical error. He explained the software will assist staff with operational efficiency.

Mr. Gessaman questioned if the software had been proven and the training costs

Mike Witsoe, 510 11th Street South, inquired about the Ice Breaker information he had requested at the April 3, 2012, meeting.

Park and Recreation Director Deputy Director Patty Rearden responded there is no local vendor capable of providing timing services. Bids are sent out for the Ice Breaker T-shirts, and there has

not been a response from local vendors.

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

Motion carried 5-0.

PETITIONS AND COMMUNICATIONS

11. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Mayor Winters opened the meeting to Petitions and Communications.

- A. Brett Doney**, Great Falls Development Authority, 300 Central Avenue, announced Great Falls has been named the Small Business Community of the Year in Montana by the U.S. Small Business Administration, and Bennett Motors has been named the Family-Owned Business. The recognition is a testament that Great Falls is business-friendly. Mr. Doney discussed many recent successes.
- B. Kathy Gessaman**, 1006 36th Avenue NE, noted the upcoming STEM - Earth Day celebration on April 21, 2012. She thanked City staff for their assistance.
- C. Ron Gessaman**, 1006 36th Avenue NE, stated he is one of the least anti-business people, but speaks out when he believes things are being done wrong. He noted that Beartooth Co-op has asked to get out of Southern, and that the City has not told ECP the 40-year contract will not be honored.

Mayor Winters commented that the City has asked to get out of the ECP contract.

- D. John Hubbard**, 615 7th Avenue South, discussed government officials being held accountable, the Highwood Generating Station, and ECP losses.
- E. Sheila Rice**, NeighborWorks Great Falls, reported the open house for the MSU-College of Technology built house is May 3, 2012. The open houses for both high school built houses are May 16, 2012. There are currently 34 student-built houses in Great Falls. A \$5 million tax credits project to renovate Soroptimist Village, 50 affordable and accessible units, was approved last Monday. With assistance from the City, NeighborWorks was able to restore liveability to 17 abandoned, foreclosed homes through Neighborhood Stabilization funding and program income.
- F. Mike Witsoe**, 510 11th Street South, commended Mayor Winters on his contributions to the Knights of Columbus. He discussed the Party for the Parks at the New Hideout Lounge. He asked for the contact to make an appointment to tour the sewer plant.

CITY MANAGER

12. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Mr. Doyon noted the recent promotion ceremony at the Police Department.

Chief Dave Bowen reported Tony Munkres was promoted to the rank of Master Police Officer; Doug Otto was promoted to the rank of Sergeant; John Schaffer was promoted to the rank of Lieutenant; and Jeff Newton was promoted to the rank of Captain.

CITY COMMISSION**13. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Commissioner Jolley noted that members of the community can call the various City departments with any questions.

Commissioner Jones thanked Mr. Haynes and Mr. Rearden for their attitude, responsiveness, and professionalism at the Commission meetings. He expressed appreciation to Mr. Rearden for the water and sewer standards he has maintained for the community.

14. COMMISSION INITIATIVES.

There were no Commission initiatives.

ADJOURNMENT

There being no further business to come before the Commission, **Commissioner Bronson moved, seconded by Commissioner Jones, that the regular meeting of April 17, 2012, be adjourned at 9:19 p.m.**

Motion carried 5-0.

Mayor Winters

Acting City Clerk

Minutes Approved: May 1, 2012