

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; Deputy City Manager; Interim City Attorney; Directors of Fiscal Services, Planning and Community Development, and Public Works; Police Chief; and the City Clerk.

SWEARING IN CEREMONY: Mayor Winters performed the swearing in ceremony for Robert (Bob) Kelly, City Commissioner.

PROCLAMATION: Mayor Winters read a proclamation for Higher Education Month.

**** 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 Neighborhood Council representatives.

BOARDS & COMMISSIONS

2. APPOINTMENTS, PARK AND RECREATION BOARD.

Commissioner Jones moved, seconded by Commissioner Bronson, that the City Commission reappoint Charlie Bruckner, Russell Motschenbacher and William (Bill) Ramsey and appoint Shirley Davis for three-year terms through December 31, 2015, to the Park and Recreation Board.

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.

3. APPOINTMENTS, ELECTRIC CITY POWER BOARD OF DIRECTORS.

Commissioner Jones moved, seconded by Commissioner Burow, that the City Commission appoint Mayor Winters, Commissioners Bronson, Burow, Kelly and Jones, for one-year terms through December 31, 2013, to the Electric City Power Board of Directors.

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

Stuart Lewin, 615 3rd Avenue North, expressed concerns that Electric City Power (ECP) is not operating in compliance with Ordinance 2925, and that ECP owes the City of Great Falls and the effect that might have on taxes.

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

Motion carried 5-0.

4. **MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

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

PUBLIC HEARINGS

OLD BUSINESS

5. **2013/2014 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) POLICIES, CITIZEN PARTICIPATION PLAN, AND FUNDING PRIORITIES.**

Planning and Community Development Director Mike Haynes reported that this item is to adopt Community Development Block Grant (CDBG) policies, adopt the Citizen Participation Plan, and set 2013-2014 funding allocations that will provide the Community Development Council (CDC) with parameters for funding before they hear requests to fund specific programs in February and March, 2013. A status report on CDBG funding was provided to the Commission at the December 4, 2012, Work Session, and the City Commission conducted the Needs Hearing on December 18, 2012. In the upcoming federal funding cycle staff is projecting to receive about \$660,000 in CDBG funds; that is about two-thirds of the total funds available last year.

Staff is recommending that the City Commission set “funding percentages” so the actual dollar amounts will be adjusted, up or down, when funding levels are finally agreed upon by Congress. The funding percentages staff is recommending are as follows:

Administration 20% - the maximum allowable and is estimated at about \$132,000.

Public Services 15% - the maximum allowable and is estimated at about \$99,000. Those fund programs and services primarily for low-income residents, especially seniors, children and the disabled.

Public Facility Improvements 42% - funds for capital improvements for infrastructure, park facilities and public buildings for example. It is estimated that would total about \$276,000.

Affordable Housing 23% - plus an additional \$75,000 in unprogrammed funds – for a total of about \$228,000. Staff is proposing those funds would continue to support the City’s Revolving Loan Fund Specialist and that portion of the Code Enforcement

Officer's work in eligible census tracts. It would provide \$75,000 for NeighborWorks High School and Great Falls College houses and neighborhood revitalization programs. It also includes about \$50,000 to build upon the Technical Assistance Program that has proven to be a very successful economic development tool.

Director Haynes noted two key provisions in the CDBG Policies. The first would limit Public Facility Improvement dollars to City projects. This has the dual advantage of eliminating applications for the types of projects that HUD is now often claiming to be ineligible under its ever-tightening regulations, while funding projects that clearly benefit the entire community. That, in turn, would limit the CDC to making recommendations on Public Services funding only. Staff has discussed this potential change with the CDC, who expressed their support and understanding of the realities of declining funding levels. The second would not allow administrative costs to be paid for out of repayments to the City's Revolving Loan Program. That would maintain the integrity of the Revolving Loan Fund, but would require adjusting staffing levels down to reflect the lower levels of federal funding, even after taking the maximum allowable 20% from CDBG funds for administration.

Federal funding for CDBG and HOME programs has been declining for several years and any reversal of this trend is unlikely. While local needs continue to grow, fewer funds are available to meet those needs.

Commissioner Burow moved, seconded by Commissioner Jones, that the City Commission adopt the Community Development Block Grant Policies and the Citizen Participation Plan, and set the 2013/2014 CDBG Funding Priorities.

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

Commissioner Bronson inquired if the effectiveness of the Technical Assistance Program will be diluted if it is essentially available to anyone making application, rather than being limited to historic buildings and the effectiveness of the feasibility studies and historic property tax credits.

Director Haynes commented that it was not the intention to limit that percentage for the Technical Assistance Program to historic buildings. If it's the will of the Commission, staff could add the requirement for historic buildings.

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

Sheila Rice, Executive Director of NeighborWorks, residing at 913 3rd Avenue North, thanked staff for the recommendation of \$75,000 for affordable housing from unprogrammed funds. NeighborWorks' grant applications will provide a sharing mechanism with Habitat for Humanity. She pointed out the reductions in dollars and percentages in funding for home ownership the past three years. She reviewed a handout that discusses how the housing crisis has created an unprecedented opportunity for working families to achieve financial security. Ms. Rice suggested three amendments to staff's recommendation for Commission consideration.

Brett Doney, Great Falls Development Authority, 300 Central Avenue, spoke in support of the selection process including technical assistance studies for key properties being redeveloped that lead to other properties being redeveloped.

After further discussion amongst the Commission and Director Haynes regarding postponing action, technical assistance for historic buildings, and Ms. Rice's suggested amendments, Commissioner Bronson proposed amending the main motion.

Commissioner Bronson moved, seconded by Commissioner Jones, that the City Commission amend the main motion as follows:

Amendment 1 to staff recommendation on page 8 of the Agenda Report to include the following language: Non-profit housing agencies will be considered for additional affordable housing funding above \$75,000 of un-programmed funds if the federal CDBG allocation is greater than \$660,056;

Amendment 2 to page 7 of the Agenda Report (City Commission Policies dated January 2, 2013) to amend paragraph 12 to read: Revolving Loan Fund repayments to the City of Great Falls loan fund will be used for revolving loans to qualifying applicants and will not be used to pay CDBG program administrative costs;

Amendment 3 to page 7 of the Agenda Report (City Commission Policies dated January 2, 2013) to add paragraph 13 to read: Funds allocated to redevelopment studies will be limited to proposals that assess the condition of historic structures, and the economic feasibility of adapting historic buildings to appropriate reuse.

Mayor Winters asked if there was any further discussion amongst the Commissioners or comments from the public regarding the amended motion. Hearing none, Mayor Winters called for the vote.

Main Motion, with Amendments 1, 2 and 3, carried 5-0.

NEW BUSINESS

6. ECONOMIC DEVELOPMENT GRANT FOR ADF INTERNATIONAL INC., FROM THE BIG SKY TRUST IN THE AMOUNT OF \$832,500 AND DESIGNATE GREAT FALLS DEVELOPMENT AUTHORITY AS SUB RECIPIENT.

Deputy City Manager Jennifer Reichelt reported that this is a request to authorize the City of Great Falls to submit a grant to the Montana Department of Commerce for \$832,500 from the Big Sky Trust Fund and designate the Great Falls Development Authority (GFDA) as the sub-recipient. The GFDA has been working with ADF International Inc. to locate a steel fabrication plant in Great Falls. ADF plans on constructing a 100,000 square foot steel fabrication complex on 100 acres of industrial land located at the corner of US 87 and Great Bear Avenue. The total project cost is estimated at \$24 million dollars. ADF anticipates being operational by the second half of 2013. Once fully developed, ADF will be creating 300 new jobs. Within the first six to 24 months, ADF will be hiring and training 100-150 employees, with 300 being on board and trained by the end of the third year of operations. Wages for plant employees are estimated to be between \$16-\$20 per

hour, and office personnel salaries will be \$30,000 and higher. Their projected annual payroll for years one through three will exceed \$5 million dollars. ADF has been working closely with Great Falls College – MSU to develop a training program for welders and fitters. The project is eligible for a Montana Department of Commerce Big Sky Trust Fund grant in the amount of \$832,500. The grant will be used to offset the construction costs of the facility.

Deputy Manager Reichelt explained that in 2005 the State Legislature created the Big Sky Trust Fund from \$20 million dollars of coal tax funds for the purpose of helping job creation in the state. Interest is used to fund it each year. She reviewed the specific agencies and entities that are eligible to apply for funding, which includes incorporated cities and towns. The City of Great Falls will be the applicant, and the sub-recipient to administer the grant will be GFDA, an economic development organization, in compliance with the Department of Commerce.

Commissioner Bronson moved, seconded by Commissioners Burow and Jones, that the City Commission authorize submittal of a grant to the Montana Department of Commerce for \$832,500 from the Big Sky Trust Fund (BSTF) and designate the Great Falls Development Authority as the sub-recipient if the grant is awarded.

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

Stuart Lewin, 615 3rd Avenue North, inquired about the administrative costs of GFDA. He also commented it might be better for the City to administer the grant and be reimbursed for its time.

Jeremiah Johnson, Great Falls Development Authority, residing at 1900 Whispering Ridge Drive, responded to Mr. Lewin's inquiry that the administration portion of the grant is 3% or \$41,625 to cover expenses associated with tracking and reporting of all ADF employees.

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

Motion carried 5-0.

ORDINANCES/RESOLUTIONS

CONSENT AGENDA

7. Minutes, December 18, 2012, Commission meeting.
8. Total expenditures of \$1,947,237 for the period of December 8-26, 2012, to include claims over \$5,000, in the amount of \$1,701,434.
9. Contracts list.

Commissioner Burow moved, seconded by Commissioner Bronson, that the City Commission approve the Consent Agenda as presented.

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.

PETITIONS AND COMMUNICATIONS**10. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Mayor Winters opened the meeting to Petitions and Communications.

- A. Stuart Lewin**, 615 3rd Avenue North, Attorney at Law, provided an update of the Water Court litigation he filed on behalf of his clients regarding actions the City took with regard to its water rights. He acknowledged that the City's hired attorney has a fine reputation and thinks he can do an excellent job for the City. However, Mr. Lewin alleges that the information provided to the Water Court was incorrect, and that daily water log records that he has requested from the 1960's to 1970's have not been provided. To prove up his clients' case that the City gave up its water, he asked that the City participate as much as possible to try to save the water rights. He wanted to apprise the Commission that he is going to make a request for production of records and he would hope that the City's hired attorney and City Manager will focus on working with him to save water rights.

CITY MANAGER**11. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

City Manager Greg Doyon reported that staff has spent a lot of hours looking for the records Mr. Lewin referenced. The City has records of the annual reports submitted to the State. He further pointed out that he took this issue up with the prior Commission and there was no recommendation to make an amendment. This Commission was also updated by the water attorney after reviewing the work done by the water rights consultant and, again, agreed there would be no change in the actions that was previously completed by staff or the Commission. He explained that, as the basins go through adjudication, if you don't use the water you can potentially lose it. We all agree water is a huge asset of the City.

CITY COMMISSION**12. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

Commissioner Bronson commented on a recent letter the Commission received from the Montana Historical Society praising Great Falls Certified Local Government and its Historic Preservation Officer, Ellen Sievert.

Mayor Winters expressed appreciation to the Great Falls Police Department and Animal Shelter staff for going above and beyond in assisting him recently with two dogs dropped off at his house.

13. COMMISSION INITIATIVES.

Commissioner Bronson requested an updated analysis from the City's water attorney, Mr. Brown.

Mayor Winters requested an annual retreat be scheduled.

ADJOURNMENT

There being no further business to come before the Commission, **Commissioners Bronson and Burow moved, seconded by Commissioner Jones, to adjourn the regular meeting of January 2, 2013, at 8:00 p.m.**

Motion carried 5-0.

Mayor Michael J. Winters

City Clerk Lisa Kunz

Minutes Approved: January 15, 2013

DRAFT