

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 Burow was excused. Also present were the City Manager Greg Doyon and Deputy City Manager Jennifer Reichelt; City Clerk Lisa Kunz and Deputy City Clerk Darcy Dea; Public Works Director Jim Rearden; Planning and Community Development Director Craig Raymond; Park and Recreation Director Joe Petrella; Fiscal Services Director Melissa Kinzler; City Attorney Sara Sexe; and, Police Chief Dave Bowen.

AGENDA APPROVAL: Manager Doyon noted the agenda was revised to add a proclamation for Black History Month. No changes were proposed by the City Manager or City Commission. The revised agenda was approved as submitted.

PROCLAMATION: Mayor Kelly read a proclamation for Black History Month. On behalf of the Great Falls Public Library and Alma Smith Jacobson Foundation, Mr. Ken Robison extended an invitation to attend a free Black Heritage evening at the Library on Thursday, February 4, 2016, at 6 pm, to include food and entertainment.

**** 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.**

- A. Brett Doney**, Great Falls Development Authority (GFDA), 300 Central Avenue, reported that GFDA's new Brownsfield's assessment effort allows GFDA to bring in environmental consultants to assess environmental contamination in different commercial properties around the city that are proposed for potential redevelopment. GFDA is hoping to spur more redevelopment with a focus primarily on downtown and the river front, but the funds can be used communitywide. He further reported that the EPA has approved GFDA's quality plan for the entire project and Phase II environmental assessment of West Bank Two riverfront site. GFDA is accepting interest from developers, businesses and organizations for the funds and urged anyone interested to contact GFDA.
- B. Aart Dolman**, 3016 Central Avenue, commented that Tintina's application for mining contains no provision pertaining to the Missouri River. He expressed concern that the City has no emergency plan in case of an industrial accident and water pollution. Mr. Dolman suggested that the City should be prepared to address that issue to the Department of Environmental Quality at its public hearing.
- C. Ron Gessaman**, 1006 36th Avenue NE, commented that the City needs a plan for its water due to more traffic on the rail line carrying chemicals and petroleum products. Mr. Gessaman

commented that parks and recreational facilities contribute to quality of life issues. He discussed documents in the January 7 Weekly Review and agreed with the recommendations regarding retaining Kranz and North Kiwanis Parks.

Mayor Kelly responded that there is a spill plan in place; the Fire Department works with Emergency Services on what would happen if there was an environmental hazard; and, officials have had active training on it.

NEIGHBORHOOD COUNCILS

2. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

There were no miscellaneous reports and announcements from Neighborhood Council representatives.

BOARDS & COMMISSIONS

3. APPOINTMENT, BOARD OF ADJUSTMENT/APPEALS.

Mayor Kelly moved, seconded by Commissioner Jones, that the City Commission appoint David Saenz to the Board of Adjustment/Appeals for a three-year term through September 30, 2018.

Mayor Kelly asked if there was any discussion amongst the Commissioners. Mayor Kelly noted that Mr. Saenz is qualified, has an excellent background, and he expressed appreciation for his willingness to serve.

Mayor Kelly asked if there were any comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

4. APPOINTMENTS, COMMUNITY DEVELOPMENT COUNCIL.

Commissioner Jones moved, seconded by Commissioner Houck, that the City Commission reappoint David Sutinen to another three year term and appoint Tyler Hentzen and Elizabeth Schmidt to fill the three year terms through October 31, 2018, and appoint Jennifer Fines to fill the remainder of a three-year term through October 31, 2016, to the Community Development Council.

Mayor Kelly asked if there was any discussion amongst the Commissioners. Hearing none, Mayor Kelly thanked everyone that applied.

Mayor Kelly asked if there were any comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

5. **PLANNING ADVISORY BOARD, BOARD MEMBER INTRODUCTIONS AND BOARD REPORT.**

Mayor Kelly introduced Planning Advisory Board/Zoning Commission Chairman Nate Weisenberger. Chairman Weisenberger introduced board members present: Peter Fontana and Keith Nelson. He reported that the other members of the board are: Scot Davis, Anthony Houtz, Michael Wedekind, Cheryl Patton, Sophia Sparklin and Mark Striepe. This is a diverse group of individuals who are committed to serve on this board. Each has his own experience and expertise as professionals and citizens and offer different perspectives on projects that come before the board. Collectively, the board strives to make recommendations that move Great Falls in a positive direction while preserving or enhancing the quality of life enjoyed by its residents.

The board spends the greatest amount of its time reviewing current land use applications, which involve public hearings, and listening to the perspectives of fellow citizens. The board also has the opportunity to review and provide comment on long range planning documents, such as the growth policy, long range transportation plan, the downtown master plan, and other related planning efforts that will ultimately shape the future of the community.

Chairman Weisenburger concluded that the board typically meets twice per month. There are no current board openings.

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

Commissioner Bronson noted that the Great Falls Planning Advisory Board is the most unique planning advisory board of any city or town in Montana. Great Falls exercised its authority as a self governing authority under its charter to define the type of board that would be conducting zoning, planning and annexation related activities.

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

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

CITY MANAGER

7. **MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.**

City Manager Greg Doyon recognized Kristal Kuhn, the City's emergency planner, who has taken another position in Oklahoma. She has been instrumental in making that position an asset to the Police and Fire Departments. He wished her well in her new position. He also recognized Doug Alm, the City's shop supervisor, for his attributes and contributions to the City in the performance of his duties.

Manager Doyon reported that the City continues to work with its military P4 partnerships. A quarterly update meeting is scheduled for January 29, 2016. There has been some good off-shoots from those meetings such as improved communication with the County and working through emergency planning issues.

He further announced that town hall meetings are scheduled on the Park and Recreation master plan for January 20, 2016, at 3 and 7 pm, in the Civic Center Missouri Room.

CONSENT AGENDA.

8. Minutes, January 5, 2016, Commission meeting.
9. Total expenditures of \$3,568,975 for the period of December 15, 2015 through January 6, 2016, to include claims over \$5,000, in the amount of \$3,394,033.
10. Contracts list.
11. Approve bid award for one new 2016 Kenworth T800 tandem axle roll-off truck with Galbreath Rail System to Motor Power of Great Falls for \$169,405.38.
12. Approve bid award for one new 2016 Kenworth T400 tandem axle truck with new GS Products CL8100 Emco (Commercial) style sideload refuse packer to Motor Power of Great Falls for \$198,758.89.
13. Postpone the bid award for two new 2016 tandem axle trucks with sideload refuse packers and two new 2016 tandem axle trucks with new rearload refuse packers with a Qwik-tip.
14. Award the five year agreement for beverage distribution to Pepsi Cola.

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

Mayor Kelly asked if there was any discussion amongst the Commissioners. Mayor Kelly inquired about item 13, postponing the bid awards.

Public Works Director Jim Rearden responded that 11 alternate bids were received for one of the vehicles and 16 for the other. Staff would like additional time to sort through the bids to pick the ones that are best for the City.

Mayor Kelly asked if there were any comments from the public. Hearing none, Mayor Kelly called for the vote.

Motion carried 4-0.

PUBLIC HEARINGS

OLD BUSINESS

NEW BUSINESS**15. TRANSITION OF THE CITY'S REHABILITATION LOAN PROGRAM TO NEIGHBORWORKS GREAT FALLS.**

Deputy City Manager Jennifer Reichelt reported that this is a request to approve a Professional Services Agreement for the serving of the City's Rehabilitation Loan Program to NeighborWorks Great Falls.

For almost 40 years the City has been offering rehabilitation loan programs to its residents. The City has three programs targeted at promoting affordable housing on a citywide basis. This includes the Deferred Payment Loan Program, Rental Improvement Fund Program and the Water and Sewer Loan Program.

Funding is available on a limited basis and projects are selected by a loan committee on the basis of qualifications, need and benefit. Each program has specific income and other financial guidelines and the property must be within the city limits of Great Falls.

This past year the City's Housing Rehab Specialist, who was responsible for administering the program, was promoted to the role of Building Official. This was the ideal time for staff to determine what made the most sense for the future of the program. They looked at what was most cost efficient, what was best for clients, ways to improve customer service, how to maximize resources and identified potential opportunities and partnerships.

Staff considered the possibility of having existing staff members take on the responsibility of managing the program, but due to current workloads and staffing levels in the Planning and Community Development Department, it was determined it would not be possible or in the best interest of the program.

Staff also considered keeping the program in house. If the program were to stay at the City the best option would be to recruit applicants for the position, which would rely upon the award of future CDBG funds each year to fund the role, plus finding and training the right person to manage the program. There is also the concern that future CDBG funds may be reduced. Staff determined that this was the right time to look at potential partnerships and opportunities.

NeighborWorks was identified as an ideal partner, and staff began discussions regarding the future of the program. NeighborWorks Great Falls has been operating a rehabilitation loan program similar to the City's Deferred Loan Program for over 30 years and has in place all of the U.S. Department of Housing and Urban Development's required procedures to meet federal requirements.

NeighborWorks also has experienced staff that can absorb administering the City's housing rehab programs at a cost savings to the program and does an excellent job marketing their programs and organization. NeighborWorks Great Falls and NeighborWorks Montana are the only HUD certified secondary lenders in Great Falls.

The City has also partnered with NeighborWorks in the past for many programs including the HOME deferred mortgage program, CDBG blight removal and infill construction. NeighborWork's performance has consistently met City and HUD standards.

Pending Commission approval, the City will be utilizing NeighborWorks to operate and oversee the Housing Rehabilitation Loan Programs, which includes processing applications for each of the loan programs.

The Professional Services Agreement is for an amount not to exceed \$50,000, which is funded through Community Development Block Grant (CDBG) funds. Last year the City administered the program for approximately \$68,000. If approved, this will allow roughly \$18,000 to be allocated to other needs within the CDBG program. NeighborWorks will be compensated based on the direct cost of operating the program.

Over the past few months, staff has met with NeighborWorks staff and had conference calls with HUD representatives regarding the possibility of transitioning the loan servicing to NeighborWorks. HUD has reviewed and provided comments and feedback on the proposed Professional Services/Sub-Recipient Agreement and associated exhibits and approved the amendment to the City's CDBG Consolidated Plan.

Funding for the rehabilitation loans is provided through the City's Revolving Loan Program. The Revolving Loan Fund was originally funded through CDBG funds. Repayments made on loans help replenish the fund. Each year additional CDBG funds are applied for by the City to help fund the Revolving Loan Fund program.

The Revolving Loan Funds will appear on the City's financial statements as an asset invested in NeighborWorks. All existing and current loans will be assigned to NeighborWorks for servicing. As the City's loan servicer, NeighborWorks will be issuing loans on behalf of the City. All new loans will be issued under the name of "NeighborWorks Great Falls" and will clearly identify that the City is providing the funding for the loans.

Any program income generated through the City's Loan Program and loans that are serviced or closed, will be remitted back to the City and deposited into the Revolving Loan Fund.

The Revolving Loan Fund and/or program income will not be used to pay for or reimburse any costs associated with administering the Great Falls Housing Rehabilitation Loan Programs or for any other purpose.

By combining efforts, both the City and NeighborWorks will be able to maximize resources and streamline services. Instead of having rehabilitation and assistant loan programs, which provide many of the same benefits offered to qualifying applicants in two different locations, they will now be offered in one location. This will make it much easier on the customer, creating a one-stop-shop for rehabilitation loans in the Great Falls community.

This partnership will also free up future CDBG dollars. While funding will still be needed to administer the City's Rehabilitation Loan program, it may not be needed at the same level as in the past. Staff believes that less money will be needed to have NeighborWorks administer the program, freeing up future CDBG funds to be allocated to other areas.

Pending Commission approval, NeighborWorks and the City will be entering into a Professional Services Agreement. Under State Law (MCA 7-5-4301) all necessary contracts for professional, technical, engineering, or legal services are excluded from the competitive bidding process. However, it is also important to note that the State's competitive bidding requirement (MCA 7-5-4302) is only required for contracts that are in excess of \$80,000. This agreement is for an amount not to exceed \$50,000. The term of the agreement is through June 30, 2016; both parties may extend the agreement in writing prior to its termination.

NeighborWorks will be required to keep complete and accurate records on all loans being serviced and processed and to submit reports on a monthly basis

The City can cancel the agreement if NeighborWorks does not provide the necessary documents or reports in a timely manner and/or NeighborWorks conducts or funds activities that are found to be ineligible by HUD or if the HUD funds used to support the administration of the program are no longer sufficient to support the program.

NeighborWorks can cancel the agreement if the City does not provide payment within sixty (60) days of invoice and/or operating the City's Housing Rehabilitation Loan Program proves not to be beneficial to NeighborWorks.

If either party chooses to cancel the agreement they must provide a written sixty (60) day notice to the other party. In the event the agreement is terminated, loans serviced and processed by NeighborWorks will transfer to the City of Great Falls.

Transitioning the loan program to NeighborWorks will have no impact on the City's General Fund.

Commissioner Jones moved, seconded by Commissioner Bronson, that the City Commission approve the Professional Services Agreement with NeighborWorks Great Falls.

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

Commissioner Bronson noted that his wife is an employee at NeighborWorks. He explained that his wife is not involved with this particular program. She operates a totally separate and independently financed program. After consulting with City Attorney Sara Sexe and concluding that there is not a conflict of interest he will be participating in this matter.

Commissioner Houck commented that it was her understanding that it is the preference of CDBG or HUD to have three competing bids. She inquired why this wasn't put out to bid.

Commissioner Jones clarified that what Deputy Manager Reichelt discussed and what Commissioner Houck inquired about are two different things.

Commissioner Bronson added that he reviewed the exchanges with HUD personnel and there was no indication that HUD had concerns about the way the City was presenting this as a professional services contract under State law.

Commissioner Jones pointed out that the agenda report sets forth that NeighborWorks is the only HUD certified secondary lender in the City of Great Falls. The bid process is also explained on page 6 of the agenda report. He noted that this contract is only for five months.

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

Terry Thompson, CEO Great Falls Association of Realtors (GFAR), 401 13th Avenue South, commented that the Realtors Association has an interest in the transition and/or the program. She explained that realtors are in the housing business, not just the buying and selling of properties. Many realtors invest in blighted properties that require rehabilitation, own rental properties, or are developers and investors of housing projects. Ms. Thompson urged the Commission to table this matter until such time as sufficient research has been completed by City staff to identify other non-profits, such as a local credit union, if interested and/or capable of being certified by HUD, to administer this program. She reported that GFAR wants to focus on HUD's intent of the program being managed by cities and counties. Ms. Thompson further asked if there was any written approval from HUD of the transition. She expressed concerns about an organization that is receiving CDBG funds, that competitors will be going for a grant, and that will oversee all of the money. She concluded that serious consideration should also be given if NeighborWorks is ultimately given responsibility of also approving grant requests.

Steve Alley, 316½ Central Avenue, commented that the City and NeighborWorks are competitors of CDBG monies. Mr. Alley suggested that "handing this money over to NeighborWorks" is a direct conflict of interest, as well as the mayor, a Commissioner's spouse and city staff having served on the NeighborWorks board.

Sheila Rice, NeighborWorks Great Falls, 509 1st Avenue South, announced that final funding for housing tax credits for Cascade Ridge was approved today. Ms. Rice commented that the emphasis of the program was to consolidate to have one non-profit that does a particular kind of loan for people who cannot get a bank loan. They wanted it to be a "one-stop shop." NeighborWorks received approval to operate the County CDBG loan program, and NeighborWorks has already conducted the City HOME deferred down payment loan program for many years. None of the issues of competition has ever come up before. Ms. Rice urged the Commission's support for several reasons, such as a minimum savings of \$18,000 that will go back into the CDBG funds, and NeighborWorks is well tested as a HUD lender. NeighborWorks intends to market these programs collaboratively so that people can come to one place to figure out the best loan for their particular scope of work and their particular income. The program will operate as it does today. The contractor is chosen by the homeowner, not by the City or NeighborWorks. It improves customer choice because the resident can apply for both programs in one place with a single application. She believes this is one of those times that a public-private partnership makes sense.

Ms. Rice concluded that NeighborWorks is a member of the Home Builders Association and that they have a great relationship. This is one of those times reasonable people agree to disagree.

Brett Doney, Great Falls Development Authority (GFDA), 300 Central Avenue, commented that community members have brought up that since GFDA handles CDBG monies and has a loan program, that GFDA would have an interest in this. He assured the Commission that GFDA has no interest in this matter.

Ron Gessaman, 1006 36th Avenue NE, referred to Exhibit A of the Professional Services Agreement and commented if NeighborWorks denies a loan the application would not come before the City's committee. Since there is no competitor, would there be an appeal process provided for the individual applying for a loan.

There being no one further to address the Commission, Mayor Kelly asked staff to respond to certain pertinent inquiries. He asked if there are any plans to make the loan committees from the City and NeighborWorks merge at any point in the future.

Deputy Manager Reichelt responded not at this time. NeighborWorks is aware of the City's process. The City's review and loan committee is the Housing Authority Board.

Mayor Kelly asked if the City received an approval letter from HUD. Deputy Manager Reichelt responded that what the City has been receiving from HUD regarding the Professional Services Agreement is feedback and comments.

City Attorney Sara Sexe added that HUD has provided suggestions as to additional language that would be in the Professional Services Agreement as well.

Commissioner Bronson commented that HUD neither approves nor disapproves of the particular agreement. HUD's focus is more on who is handling the program and if they are certified by HUD with the particular qualifications to make these kind of determinations.

Mayor Kelly asked if there was, in fact, competition for this money between the City and NeighborWorks.

Deputy Manager Reichelt explained that in the past two years the City has issued 12 loans. The City's hope is that working with a partner organization that has more staff and the marketing skills that more people would be reached in the community and issue more loans on behalf of the City.

Director Raymond added that the funds come out of the same Housing category pool of the CDBG allocations. The City has supported an employee position to administer this program for a lot of years. It is well documented that they coexist happily within the Housing category.

Commissioner Houck commented that, to her, it is about how it looks to the outside.

In response to Commissioner Houck, **Terry Thompson** commented that was the general consensus. Ms. Thompson added that, if the programs are merged together, the concern is that

only one program will be offered.

Commissioner Houck commented that NeighborWorks does the loan program for the County CDBG money. She inquired if the Realtors Association also spoke about GFAR concerns at the County Commission meeting.

Ms. Thompson responded that the Realtors Association was not aware that took place.

Deputy Manager Reichelt clarified that the programs are staying the same. The programs are not being consolidated into one program. Applicants are going to be able to apply for six different programs. The difference is the applicant only has to go to one building.

After further discussion, Mayor Kelly noted that staff was asked to find efficiencies. He concluded that this matter is a business decision. Two separate entities will continue to lend based on their criteria. NeighborWorks is a qualified organization to administer the program. The agreement is only for five months which gives the City an opportunity to experiment with the situation.

Home Builders Association of Great Falls, 327 2nd Street South, submitted a written letter in opposition.

Motion carried 3-1 (Commissioner Houck dissenting).

ORDINANCES/RESOLUTIONS

CITY COMMISSION

16. LETTER OF SUPPORT-THE BURRELL GROUP.

Mayor Kelly reported that it was recently brought to the Commission's attention that the City of Great Falls was trying to position itself as a viable candidate for the medical school that is being explored by the Burrell Group. Benefis and Great Falls Development Authority wrote a letter of support. It was the consensus of the Commission to also write a letter of support to The Burrell Group requesting consideration of Great Falls for possible placement of a new medical school. At the request of Mayor Kelly, City Clerk Lisa Kunz read the letter of support.

17. MISCELLANEOUS REPORTS AND ANNOUNCEMENTS.

Mayor Kelly noted that he recently read a story on social media of the incredible generosity and sense of community that the Great Falls Police Department has, not only for its own community, but for their fellow workers from places far away. At the request of Mayor Kelly, Police Chief Dave Bowen relayed that the Police Department was recently gifted a statue of a mounty and a beautiful picture expressing appreciation to the Great Falls police officers, employees and families for their compassion, support and friendship to a Royal Canadian Mounted Police officer that was seriously injured in a motorcycle accident near Dearborn Canyon and taken to Benefis Hospital in June.

Commissioner Houck reported that the Parking Advisory Board meets twice per month, and the next meeting is scheduled for Monday, January 25th at 3:00 pm.

Mayor Kelly encouraged the Commissioners to develop a relationship with the various advisory boards and commissions and to see the work they do.

Mayor Kelly further announced that members of the City and County Commissions will be having regular conversations regarding the Tintina mine project to keep apprised of the developments.

Commissioner Houck thanked the City for the recent Boards and Commissions training.

18. COMMISSION INITIATIVES.

Commissioner Bronson reported that at the November 17th City Commission meeting, the Commission indicated it wished to pursue a new ordinance with respect to the Library and its relationship with the Library Board of Trustees. He submitted a draft proposal and comments today for Library Director Kathy Mora's and City staff's review.

ADJOURNMENT

There being no further business to come before the Commission, **Commissioner Bronson moved, seconded by Commissioner Jones, to adjourn the regular meeting of January 19, 2016, at 8:26 p.m.**

Motion carried 4-0.

Mayor Bob Kelly

City Clerk Lisa Kunz

Minutes Approved: February 2, 2016