



The Weekly Update – May 29, 2025

Attachments:

1. Journal of City Commission Work Session, May 6, 2025
2. Journal of City Commission Work Session, May 20, 2025

JOURNAL OF COMMISSION WORK SESSION
May 6, 2025 -- City Commission Work Session
Civic Center, Gibson Room 212 -- Mayor Reeves Presiding

CALL TO ORDER: 5:30 PM

ROLL CALL/STAFF INTRODUCTIONS:

City Commission members present: Cory Reeves, Joe McKenney, Rick Tryon, and Shannon Wilson. Commissioner Susan Wolff was excused.

Also present were City Manager Greg Doyon; Deputy City Attorney Rachel Taylor; Finance Director Melissa Kinzler and Deputy Director Kirsten Wavra; Public Works Director Chris Gaub; Fire Chief Jeremy Jones; Police Chief Jeff Newton; and, Deputy City Clerk Darcy Dea.

PUBLIC COMMENT

Ben Forsyth, City resident, provided and discussed Montana Code Annotated (MCA) 12-12-101 and 108, 76-2-304, 37-7-101, 16-12-101 and 16-12-108 handouts. Mr. Forsyth opined that the Commission disagrees with MCA 16-12-101 2e by not ensuring the safety of the public from the harms of marijuana.

Mayor Reeves called a recess at 5:40 pm and called the meeting back to order at 5:47 pm.

Although it was not on public record, Commissioner Tryon clarified that Mr. Forsyth's accusation that he messed up Mr. Forsyth's handouts from a previous work session was not true.

WORK SESSION ITEMS

1. ENERGY MANAGEMENT REVIEW FROM POWERGAS CORPORATION

Jim Morin, PowerGas Corporation reported that the amount of energy the city consumes for power and gas is approximately \$3.7 million annually and 95% is for electricity. There is an opportunity for savings and mitigating future costs by keeping informed of what the market is doing. The city purchases its power from a third-party provider and not NorthWestern Energy. PowerGas Corporation contracted with Guzman Energy, and it is constantly replacing its portfolio with more renewable energy and by next year, 80% of the electrons will be on renewable energy. NorthWestern Energy's portfolio generation is 65% to 70% renewable.

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Consultant Morin explained that the price for electricity in October 2022 was approximately \$120.00 a megawatt, \$89.95 in March 2023 and \$74.75 in November 2024. The price of electricity over the past three years has dropped 44%. From the calendar year 2024 versus calendar year 2023, the power usage increased from approximately 3.8% for the city and the cost increased 0.4%. From the last twelve months ending March 2025 versus March 2024, the overall usage increased approximately 2% and the power cost decreased 8%. The city does not use that much natural gas compared to power; however, comparing 2024 to 2023, the usage dropped approximately 4.7% and the cost dropped 22.5%. From the last twelve months ending March 2025 versus March 2024, the usage went up 11.14% for gas and the cost decreased 0.04%.

The demand charge for power and load factors are non-commodity tariffed charges that PowerGas is attacking with the management program to cut costs for the city. There were savings of \$170,000 for electricity with the current contract in place and approximately \$90,000 to \$100,000 annual savings for the city. Labor savings in coding and processing several hundred power bills saved the city approximately \$50,000 in the first six months. One thing PowerGas can do to make a big difference is watch the market and make contract changes for an estimated \$230,000 savings by departments over the next 18 months.

Mayor Reeves received clarification that if the city were to ever go with NorthWestern Energy, the city would be prohibited from ever going out to the market again.

Commissioner Wilson inquired about the difference between the cost of kilowatt hours on pages four and six of the agenda packet, as well as having more transmission lines.

Consultant Morin responded that the difference between the cost of kilowatt hours is possibly a timing difference regarding the months being calculated. NorthWestern Energy is trying to find a way to accommodate growth without overextending themselves and are putting more money into electricity than natural gas.

Commissioner McKenney received clarification that the Power Contract expires December 2026, and the Master Power Agreement stays in place.

Commissioner Tryon expressed appreciation to Consultant Morin for his efforts regarding the contract being a good investment for the city.

2. QUARTERLY BUDGET REVIEW

Finance Director Melissa Kinzler and Deputy Finance Director Kirsten Wavra discussed a PowerPoint that included the following:

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- Three Year Comparison – 22% target fund balance for FY2025 is \$8,979,234.
- General Fund Three Year Revenue Comparison Revenue for FY2025. Taxes \$13,957,461. Licenses and permits 668,496. Intergovernmental \$7,679,240. Charges for services \$911,877. Fines and forfeitures \$365,797. Internal Service \$819,566. Investment income \$63,101. Other \$372,302.
- General Fund expenses budget to actual comparison by category for FY2025. Personal services \$22,609,366. Supplies \$669,017. Purchased services \$1,151,915. Debt services \$313,694. Other \$280,972. Internal service \$4,918,650. Capital outlay \$31,025. Transfer out \$897,358. Total Expenses \$30,871,996.
- General Fund expenses budget to actual comparison by Department. City Commission \$262,312. City Manager \$451,479. Communication Specialist \$69,112. City Clerk \$208,150. Animal Shelter \$819,755. Miscellaneous Admin \$933,534. City/County Health \$250,000. Municipal Court \$946,224. Legal \$1,173,734. Police \$13,308,810. Fire \$9,127,959. Park and Recreation \$2,423,569. Transfer Out \$897,358.
- Major tax collections were delayed until January 2025.
- Increase to projected fund balance \$310,064. FY24 total protested taxes \$1,193,063.02. FY25 protested taxed \$360,315.04. Total protested taxes \$1,553,378.06. Anticipated protested taxes included in FY2025 budget \$1,000,000. Projecting \$720,630 in protested taxes for FY2025. Increase to projected fund balance \$279,370.
- General Fund projected unreserved fund balance for FY2025 ending fund balance approximately 27%. The 27% would be used to offset the deficit going into next year.
- Newly taxable property, inflationary factor, permissive medical levy and entitlement share are four areas in the general fund where the city can increase its revenues predictably every year. Staff is predicting approximately \$448,000 for the inflationary factor in FY2026; however, the amount depends on the legislature.
- Permissive Medical Levy will be 80%/20% with a 5% increase and the city's cost in the general fund should break even from the prior year.
- The new taxable property legislation will not go into effect until the tax year 2026 and FY2027.
- There will be approximately \$88,000 in the entitlement share.

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Commissioner Wilson reported that there was an interesting article in the *Billings Gazette* about extra property tax savings that would come at a cost by the city cutting its FY2026 and FY2027 budgets.

Finance Director Kinzler responded that the Billings charter is unique by limiting how many mills can be milled for the general fund and Billings has a lot of voted mills that are going to affect its budget.

Commissioner McKenney received clarification that intergovernmental funds are revenue from the state, county and federal governments, and the entitlement share is a large portion of that.

Commissioner Tryon received clarification that the savings to the city for the increase in employee contributions to the health insurance would be minimal, if any.

Mayor Reeves received clarification that this would be the only year that the city does not ask for an increase for the permissive medical levy.

Commissioner McKenney provided and discussed a handout on housing recommendations provided by Great Falls Association of Realtors, Home Builders Association of Great Falls, NeighborWorks Great Falls, and Great Falls Development Alliance. Commissioner McKenney reported that the recommendations included Tax Increment Financing (TIF) Districts to allow for workforce housing; Special Improvement Districts (SID) for infrastructure; City-owned properties for housing, and pre-approve conceptual plan sets for Accessory Dwelling Units (ADU).

It was the consensus of the Commission to have City Manager Greg Doyon bring the Commission something it could consider regarding the recommendations.

Manager Doyon responded that updating TIF Districts to allow for workforce housing could take time and the city has already engaged an outside consultant to update SID's. Utilizing city-owned land for housing development had previously been discussed and the Commission would need to consider how it would change its approach today if it wanted to pursue this. It seems that pre- approving plan sets for ADUs does not seem to be the Commission's priority and the TIF recommendation is. Staff would do their best to accommodate the timeframe on the memo, keeping in mind that the Planning and Community Development Department is working through the Growth Management Plan.

Mayor Reeves commented that all the recommendations are important; however, he is passionate about developing undeveloped parkland.

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DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

City Manager Greg Doyon reported that a lead and copper rule update will be a topic for the May 20, 2025 work session.

ADJOURN

There being no further discussion, Mayor Reeves adjourned the informal work session of May 6, 2025 at 6:50 p.m.

JOURNAL OF COMMISSION WORK SESSION
May 20, 2025 -- City Commission Work Session
Civic Center, Gibson Room 212 -- Mayor Reeves Presiding

CALL TO ORDER: 5:30 PM

ROLL CALL/STAFF INTRODUCTIONS:

City Commission members present: Cory Reeves, Joe McKenney, Rick Tryon and Shannon Wilson. Commissioner Susan Wolff was excused.

Also present were Interim City Manager Bryan Lockerby; City Attorney David Dennis; Public Works Director Chris Gaub, Development Review Coordinator Mark Juras and City Engineer Jesse Patton; Planning and Community Development Director Brock Cherry; Fire Marshall Mike McIntosh; Police Chief Jeff Newton; and, Deputy City Clerk Darcy Dea.

PUBLIC COMMENT

Richard Irving, City resident, opined that the library is run by a small group of people that have been friends or relatives, and it is run as a personal party, not for the city as a whole. Mr. Irving recommended appointing library board members who are not a recommendation from the library director or library board.

WORK SESSION ITEMS

1. EPA LEAD AND COPPER RULE IMPROVEMENTS (LCR) UPDATE

Public Works Development Review Coordinator Mark Juras reported that lead, galvanized and unknown service lines will need to be replaced over a 10-year period starting in 2027. The current city policy and code states that a property owner is responsible for the maintenance and upkeep of the entire length of the service line from the main in the street to their residence. Partial replacements of non-conforming service lines do not count towards a mandatory replacement. The city must document four separate attempts to contact property owners who are not willing to replace non-conforming service lines. The city must prepare and make available on the City's website a service line replacement plan starting in 2027. Lead tests occur from tap samples inside a home and there are no sources of lead in the City's Water Treatment Plant water distribution system. There will be more public notice and education requirements for LCR improvements.

There were approximately 10,000 unknown service line types out of 22,000 in 2022, 10,000 notices were mailed in July 2022, November 2023 to April 2024, 7,000 phone

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calls were made, 5,000 notices were mailed to the remaining unknown service line addresses in November 2024 and 4,000 door knocks/hangars January to April 2025. Currently there are approximately 4,000 unknown service lines and only those who receive notice that they have an unknown service line need to respond. Staff are better informed and considering next steps to increase response rates and/or ID service line materials with incentives, potholing or water shut off. In the event the Environmental Protection Agency (EPA) forces the city to replace non-conforming locations, the potential future impact to ratepayer's water bill could be approximately \$7/Month or \$28/Month. The goal is to identify material of all unknown water service lines, required by the EPA.

The city is moving forward with a pilot project to replace 20 known lead service lines. The project is a ratepayer funded State Revolving Fund (SRF) 2.5%, 20-year loan through the Department of Natural Resources and Conservation (DNRC) with a 60% principal forgiveness. The next step is to reach out to these potential replacement locations and have them enter into an agreement with the city to replace that water service line. City staff are prioritizing individuals who are voluntarily participating in a Tier 1 tap sampling program. Staff are anticipating having a reimbursement resolution and construction contract sometime by the end of fall 2025.

Per EPA regulations, a replacement plan is due, must be available on the city's website and submitted to the DEQ in November 2027. The replacement plan will include strategies for identifying remaining unknowns, conducting replacements, communications, replacement prioritization, funding strategy and identifying specific laws. The replacement plan needs to be updated annually. Development Review Coordinator Juras discussed monitoring and tap sampling. Effective today, corrosion control is being implemented at the Water Treatment Plant and the current action level for lead is 15 parts per billion (ppb). Annual letters are being mailed to non-conforming locations, as well as operating water valve, line disturbance and partial replacement notices to other non-conforming locations. System wide notices include non-conforming addresses on the city's website and to DEQ. Effective 2027, the action level for lead will go down to 10 ppb, the first and fifth liter will be required to be sampled for lead and there will be more public education and noticing requirements. There will be documented replacement attempts, replacement rate failure, DEQ reporting and notifications will increase.

Mayor Reeves received clarification that the sister cities are making similar efforts as Great Falls for unknown line identification by mailing letters, going door to door and some are hiring consultants. He further received clarification that potholing would be an expensive way to identify unknown lines.

Regarding the "Potential Future Impact to Ratepayer" slide, Commissioner Tryon expressed concern about taxpayers paying \$7 or \$28 for non-conforming service lines

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in addition to the upcoming adjusted rates. He inquired if the city would be legally forced to pay for replacing non-conforming service lines.

Development Review Coordinator Juras responded that it is uncertain at this time what would happen if the city does not meet those replacement rates; however, the city would potentially be fined by the EPA. Ratepayers nationwide are being asked to fund this.

City Attorney David Dennis's response was inaudible.

Mayor Reeves commented that he discussed with Congressman Downing team about the huge unfunded federal mandate forthcoming. Each congressman can put approximately \$30 million into certain projects, and could choose to apply it to the LCR updates.

Public Works City Engineer Jesse Patton explained that the city is attempting to compare those costs before shutting water off or potholing is considered. If individuals do not want to participate, it is documented four times before they are off the list and would not count against the city. Based on the current rule, individuals do not have to participate; however, City staff must monitor that property every time it changes hands. The current plan is to require property owners to replace the lines or utilize grant monies that are available through the pilot project.

2. UPDATE ON GROWTH MANAGEMENT PUBLIC ENGAGEMENT REPORT

Referring to the Growth Policy, Planning and Community Development Director Brock Cherry reported that public engagement is required by the Montana Land-Use Planning Act (MLUPA) and Article II, Sections 8 and 9 of the State Constitution guarantees the public's right to participate in government and access public deliberations. It builds a legally defensible plan, and this Growth Policy is the people's plan. FutureGreatFalls.com received over 3,700 visits and served as the hub for updates, surveys, and feedback tools. There were over 70 meetings and events including workshops, roundtables, school sessions, neighborhood councils, and civic group presentations. There were nearly four times the participation of the 2013 Growth Policy. Over 2,300 residents shared their perspectives on the future of Great Falls. Housing availability/affordability, cost of living, public safety, public infrastructure, and downtown revitalization were the top community priorities. The top five priorities are not exclusive to what the Growth Policy will cover.

Housing availability and affordability were the most consistent priorities. There was a clear desire to balance larger-scale development with housing that maintains the character of established areas and supports long-term affordability. Residents are concerned about the cost of living, particularly property taxes and city service costs,

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especially for fixed-income households and retirees. Public safety was consistently ranked amongst the most important issue in the community survey and across public meetings, thought cards, and student feedback. Residents want safe neighborhoods, faster response, and visible presence. This does not mean the public lacks confidence in first responders. Rather, residents want to ensure that as Great Falls grows, public safety grows with it. Residents want smart investments in core services such as the water system, sewer and streets. Downtown was one of the most frequently discussed topics across the entire engagement process, cited as both a top success and a key area for continued investment. A draft Growth Policy should be ready for review by winter 2026.

Mayor Reeves commented that two of the top priorities, cost of living and public infrastructure, seem to be at complete odds with one another.

Public Works Director Cherry responded that those two priorities were components of a draft policy, and these questions were asked very broadly.

Commissioner McKenney received clarification that the Steering Committee will be retired at the conclusion of the Growth Policy. Their current task is to take this information to help find growth principles. Staff are working with Communications Specialist Meredith Dawson to help explain how this works.

Commissioner Wilson commented that the report shows how the public wanted to see oversight regarding how things are designed. Commissioner Wilson added that she will continue to push for public restrooms downtown because the public wants it.

Commissioner Tryon commented that public engagement and responses were one of the best the consultant has seen. Commissioner Tryon cautioned about drawing conclusions about what the public wants regarding specifics, other than the top five community priorities. However, even that is a small portion of the overall community. He inquired how the cost of living is related to the Growth Policy since that document has to do with land use issues within the community.

Planning and Community Development Director Cherry responded that the Growth Policy is the paramount document to form the city's zoning ordinance policy. Staff are passionate about educating the public about how the Growth Policy is being used.

Commissioner Tryon commented that educating the public is important because many people do not understand what the purpose of a Growth Policy is.

DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

Interim City Manager Bryan Lockerby reported that library board interviews will be a topic for the June 3, 2025 work session. FY26 proposed budget will be a topic for the June 17,

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2025 work session. FY26 proposed budget will be topics for the June 25 and 26, 2025 special work session, if needed.

ADJOURN

There being no further discussion, Mayor Reeves adjourned the informal work session of May 20, 2025 at 6:25 p.m.