

**A COMMISSION MEETING OF AUGUST 18, 2014 WHICH WAS HELD AT THE CENTRAL MONTANA COMMUNITY AND STARTED AT 7:00 P.M.**

**CALL TO ORDER**

Chairman Doney called the meeting to order.

**PLEDGE OF ALLEGIANCE**

Chairman Doney asked everyone to stand and say the Pledge to the Flag.

**ROLL CALL**

Present were Commissioners: Byerly, Doney, Gremaux, Hewitt, Poss, Putnam and Turk.

**APPROVAL OF MINUTES**

Commissioner Poss made the motion to approve the July 21, 2014 and August 4, 2014 minutes and Commissioner Putnam seconded the motion. The motion passed unanimously.

**BOARD AND COMMISSION REPORTS**

Commissioner Turk reported that she attended a Library Board meeting this past Thursday. There will be a pie social this Thursday, August 21<sup>st</sup> at 6:00 p.m. upstairs at the Library. The Library's summer reading program this year had a great turn out with 70 more children signed up and 30 more adults signed up. Commissioner Turk reported that at the August book sale they made approximately \$770 and then had a special book sale during Cowboy Poetry and made approximately \$1,100.

Commissioner Hewitt reported that she attended the Airport Board meeting and the ARF building is totally insulated and ready for the delivery of the ARF truck. They have been spraying weeds especially spotted knapweed. The farm lease has been signed. The drivers training this summer had over 500 hundred students. There will be a mountain search and rescue clinic August 22<sup>nd</sup> through the 24<sup>th</sup>. There will be approximately 10 to 12 planes. Commissioner Hewitt commented that the airport manager and staff are working on cleaning up the airport. There have been some near misses with some of the CMR geese boxes. The overlay and crack sealing are completed. The Saint Michaels radio tower is now called the Saint Joseph's radio tower and the FAA says there is no reason that the tower could not be erected, but the Airport Board is concerned with medical helicopter flying in.

Commissioner Putnam reported that the County Commissioners came up with their own recommendation out of all of the proposed recommendations for the Fergus County Recreation District. The County Commissioners decided to put on the ballot a flat fee dwelling assessment of no greater than \$35 for a period not to exceed 20 years. The funds are to be used to retire the debt to improve the pool and any leftover funds would be used to maintain the pool and civic center. Commissioner Putnam commented that at this point they do not know how many

dwellings there are, so as a result they do not know how much money there will be. Commissioner Putnam stated that she has an issue with the proposed district being administered by an appointed board and I would prefer an elected board and recommended an elected board. The proposal also did not state where the board members needed to live or how many would be on the board. Commissioner Putnam stated it is a simple proposal and does not know if it addresses all of the issues. Commissioner Hewitt commented that the committee discussed this proposal that was recommended and it was considered not feasible because of the ability to count households. The proposal will be on the ballot this fall for all members living in the district to vote on the proposal. Commissioner Turk commented that if there are 4,000 x \$35 would generate \$2.8 million over the twenty. The pool improvements are proposed to cost \$1.7 million and it cost \$97,000 a year to run the pool. Commissioner Doney asked how the businesses will be affected. Commissioner Poss answered the businesses were left out of the proposal

### **CITY MANAGER REPORT**

City Manager Kevin Myhre was unable to attend the meeting. City Attorney Monte Boettger reviewed the following issues:

The Fergus County Commissioners met on Wednesday, August 14, 2014 and passed a resolution to place a referendum on the November ballot to create a Fergus County Recreation District to fund phase one rebuild of the City's swimming pool. The proposed district would levy up to \$35 on each residential unit in the area of the Lewistown High School District. Any additional funds raised could be used for the swimming pool or civic center operations. The resolution that the Fergus County Commissioners adopted to put the proposed Fergus County Recreation District on the ballot was passed out to the Commission this evening.

Century Construction has notified the City that they will be in Lewistown to begin paving during the week of August 18<sup>th</sup>. The City Street Department will be assisting them and completing some additional patching while the asphalt is available.

The Montana Conservation Corp and volunteers from the Friends of the Trails completed a walking trail at the facility, repaired several areas of deteriorating rock walls and pulled a large amount of weeds.

The new City of Lewistown sponsored license plate has been released and is available for purchase. The plate is a little darker than the original design but people that have seen them seem to like them. They have sold two sets so far. Commissioner Gremaux has a set on his vehicle if anyone would like to see the design.

The City's new maintenance person has cleaned the black stains from the dryvit on the exterior of the Library building. It is a great improvement. The maintenance person has also been working to get the flooring back into better condition.

The Trailhead Park area is transforming quickly as the contractors each work on their prospective portions. It should be mostly completed by September 6<sup>th</sup> for the Trails, Ales and Bales event which will be the grand opening of the park.

## **CONSENT AGENDA**

Commissioner Gremaux made the motion to approve the consent agenda and Commissioner Turk seconded the motion. The motion passed unanimously.

## **REGULAR AGENDA – Resolutions, Ordinances & Other Action Items:**

1. Public hearing to hear comments on an ordinance establishing the Lewistown Urban Renewal Area, creating the Lewistown Urban Renewal District and adopting the Lewistown Urban Renewal District Plan with a Tax Increment Financing Program pursuant to Title 7, Chapter 15, Part 42 and 43 of the Montana Codes Annotated

Chairman Doney opened the public hearing to hear comments on an ordinance establishing the Lewistown Urban Renewal Area, creating the Lewistown Urban Renewal District and adopting the Lewistown Urban Renewal District Plan with a Tax Increment Financing Program pursuant to Title 7, Chapter 15, Part 42 and 43 of the Montana Codes Annotated. Mr. Boettger explained that the City has been working on the Tax Increment Financing process for over a year. As part of the process there needs to be second public hearing on the creation of a Urban Renewal District and adopting the Lewistown Urban Renewal District Plan with a Tax Increment Financing Program (TIF). Mr. Boettger explained that in February the City Commission determined and declared an area in the downtown area that is subject to blight. There is a section in state law that was created to allow communities that have areas of their city that are deteriorating because of economic changes and population trends which leave a lot of communities with deteriorating downtown areas. The legislature created the law to allow Cities to establish TIF district to promote development in the areas determined to have blight. The Commission in February created an urban renewal district all property owners in the district were notified by a letter of the possible creation of a TIF district. A TIF is any change in property taxes above the established tax base is put in the TIF district. The funds generated can only be used for improvement in the TIF district. The funds can be used for many things to assist with developing the TIF district. The use of funds is dictated by law. There will be a board appointed by the City to oversee the TIF district. Mr. Boettger stated that tonight is the last public hearing for individuals to make comment on the creation urban renewal district or the creation of a TIF district. Commissioner Byerly asked Mr. Boettger if it would be accurate to say that the City, County and School District are going to forego tax income which they would normally gotten and have always gotten particularly when someone improves their property in order to help the downtown area of Lewistown. At least from the property in the TIF district the money above the established base would not be used in City operations. Mr. Boettger answered that is correct and the tax revenue above the established base will remain in the district which as a result the City County and School District will forego that revenue. Planning Director Duane Ferdinand commented that it would last for 15 years or for the length of the bond that may be issued. Mr. John Toohey explained that after the last meeting he went home and looked up TIF on the computer and ran into a whole wall of possible problems as a result of the TIF. Mr. Toohey review a little of what he found and asked if Finance Officer Nikki Brummond could take copies of the information and distribute to the Commission. Mr. Toohey commented that he is really not for or against the TIF district but would like everyone to be aware of the problems that could come up and what can happen. Mr. Chuck Swenson commented if money generated from the

improvements within the TIF district is used to issue a bond for infrastructure it is the developer who pays the bonds with the increment in the taxes because of the improvements they made. Ms. Cecelia England commented that she owns the building at 414 W Broadway and has made some beautiful suites upstairs. The downstairs of the building is the treasure depot and an empty beauty shop. Ms. England stated that she does have some familiarity with a TIF district because she was a real estate broker in Bozeman for twenty years. Ms. England explained that they looked at a TIF district for the north side of Bozeman where there is some blight and found that they had a problem. Ms. England commented that in the area was a lot of rundown building and infrastructure was needed and they decided to use the TIF money to build a road. Ms. England then asked if there is there a targeted goal to where the TIF money would go to help the TIF district. Mr. Boettger answered that there is a general approved plan. Mr. Ferdinand explained that an urban renewal plan has been approved and that plan addresses several issues currently in downtown. One of the issues is the existence of blight and very evident that rehabilitation is needed. Mr. Ferdinand reviewed some of the allowable improvements allowed by state law. Ms. England commented that her upstairs apartments are 100% occupied consistently, but appears that part of the problem is the commercial vacancies. Mr. Ferdinand explained that retail has changed dramatically over the past few years especially with the availability of internet shopping. Commissioner Doney commented that there will be an appointed board to oversee the TIF district and would encourage anyone interested to volunteer to serve on the board. Commissioner Putnam commented that she thinks the commercial properties in the downtown area are very large, very old which cause a lot of upkeep and they are probably expensive to heat. Commissioner Putnam further commented that a comment was made at the last public hearing that Lewistown has not stepped forward and invested in itself on Main Street and the TIF would be an encouragement for Lewistown. Commissioner Putnam asked if the TIF district can incur debt. Mr. Ferdinand answered yes. Commissioner Putnam then asked would is the guarantor for the debt would it be the district or the City. Mr. Ferdinand answered the City. Commissioner Doney asked for any additional comments regarding the TIF district from the audience and Commission. There being none the public hearing was closed.

2. Discussion and action on the second reading of Ordinance No.1748 an ordinance establishing the Lewistown Urban Renewal Area, creating the Lewistown Urban Renewal District and adopting the Lewistown Urban Renewal District Plan with a Tax Increment Financing Program pursuant to Title 7, Chapter 15, Part 42 and 43 of the Montana Codes Annotated

Mr. Boettger stated that this is the second reading of this ordinance and the Commission can approve as is or make changes. Commissioner Poss made the motion to approve the second reading of Ordinance No.1748 an ordinance establishing the Lewistown Urban Renewal Area, creating the Lewistown Urban Renewal District and adopting the Lewistown Urban Renewal District Plan with a Tax Increment Financing Program pursuant to Title 7, Chapter 15, Part 42 and 43 of the Montana Codes Annotated and Commissioner Turk seconded the motion. Commissioner Doney asked for comments from the audience and Commission. There being none, the question was called for and the motion passed unanimously.

3. Discussion and action on approving a City business license for Town & Country Electric

Mr. Boettger explained that the City's ordinance requires that business license applications for electricians come before the Commission for approval. All necessary documentation is attached. Commissioner Gremaux made the motion to approve a City business license for Town & Country Electric and Commissioner Hewitt seconded the motion. Commissioner Doney asked for comments from the audience and Commission. There being none, the question was called for and the motion passed unanimously.

4. Public hearing to hear comments on Resolution No. 3856 a resolution amending the 2013-2014 budget of the City of Lewistown

Chairman Doney opened the public hearing to hear comments on Resolution No. 3856 a resolution amending the 2013-2014 budget of the City of Lewistown. Finance Officer Nikki Brummond reviewed the budget amendment for the 2013-2014 budget. The changes were to the on behalf payments for the police and fire, the increase in contribution to the Central Montana Health District, the associated expenses for the Montana Main Street grant, two grants from Department of Natural Resources and Conservation, the matching funds for the improvements to the draft horse barn, the fund change for the Tourism Business Improvement District and the sewer revenue bonds interest was under budgeted. Commissioner Gremaux asked if the matching funds for the draft horse barn was part of the grant and was simply passed through the City. Ms. Brummond answered yes, the amount of matching funds and where they would be coming from was an unknown when the budget was approved. Commissioner Doney asked for any more comments or concerns from the audience or Commission. There being none, the public hearing was closed.

5. Discussion and action on approving Resolution No. 3856 a resolution amending the 2013-2014 budget of the City of Lewistown

Commissioner Poss made the motion to approve Resolution No. 3856 a resolution amending the 2013-2014 budget of the City of Lewistown and Commissioner Putnam seconded the motion. Commissioner Doney asked for comments from the audience and Commission. There being none, the question was called for and the motion passed unanimously.

6. Discussion and action on approving Resolution No. 3857 a resolution relating to adopting a preliminary budget and providing a date for public hearing and adoption thereof for the fiscal year beginning July 1, 2014 and ending June 30, 2015

Ms. Brummond explained that this resolution is adopting a preliminary budget and setting the date and time for the public hearing and adoption of the final budget for 2014-2015. The preliminary budget was provided in the packets. Ms. Brummond explained that she handed out the budget information for the local government study that was approved by the voters in the fall and does need to be included in the preliminary budget. Ms. Brummond commented that currently the street maintenance assessment was kept the same. Mr. Myhre hopes to maybe make some changes for assessing subdivisions and then hope to hire an engineer to assist the City in rating and assessing streets. Commissioner Gremaux commented that there was also

some discussion on making a change for the commercial businesses. Ms. Brummond answered that is correct, and will be bring the street maintenance resolution before the Commission for approval at the next meeting and any necessary changes can be made at that time prior to approving the budget. Commissioner Turk made the motion to approve Resolution No. 3857 a resolution relating to adopting a preliminary budget and providing a date for public hearing and adoption thereof for the fiscal year beginning July 1, 2014 and ending June 20, 2015 and Commissioner Putnam seconded the motion. Commissioner Gremaux asked for comments from the audience and Commission. There being none, the question was called for and the motion passed unanimously.

**CITIZENS' REQUESTS**

Mr. Toohey asked how far back to the minutes for the City of Lewistown go. Ms. Brummond answered that all minutes since the creation of the City of Lewistown are available.

**COMMISSIONER'S MINUTE**

Commissioner Byerly informed that Commission that he had a previous commitment and will not be at the next commission meeting.

**ADJOURNMENT**

Chairman Doney adjourned the meeting.

Dated this 18<sup>th</sup> day of August, 2014.

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Gayle Doney, Commission Chairman

ATTEST:

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Nikki Brummond, City Clerk