

A REGULAR COMMISSION MEETING OF THE LEWISTOWN CITY COMMISSION ON JULY 1, 2024 WHICH WAS HELD AT THE CENTRAL MONTANA COMMUNITY CENTER AND STARTED AT 7:00 P.M.

CALL TO ORDER

Vice Chairman Day called the meeting to order.

PLEDGE OF ALLEGIANCE

Vice Chairman Day asked everyone to stand and say the Pledge of Allegiance.

ROLL CALL

Present were Commissioners: Buehler, Day, Hrubes, Robertson and Spika. Commissioner Hewitt participated virtually.

APPROVAL OF MINUTES

Vice Chairman Day stated that without objection and based on corrections the June 17, 2024 minutes are approved.

COURTESIES

There were none.

PROCLAMATIONS

There were none.

BOARD AND COMMISSION REPORTS

Commissioner Spika reported that she attended the Snowy Mountain Development Corporation annual meeting. Once the annual meeting concluded a regular board meeting was held. Commissioner Spika reported the main item to report is that SMDC is looking at their fee structure. Commissioner Spika explained that currently the fee structure is determined on population, therefore, the higher the population the higher the fee. The reason is the entity receives more services and benefits from SMDC. Commissioner Spika stated that both cities and counties pay and currently Fergus County is pushing back stating it is not fair that they pay more than other counties. Commissioner Spika explained that the citizens of Lewistown are getting the biggest hit because it is the biggest city and county population. City Manager Phelps asked if Commissioner Spika would request information regarding the active projects in each jurisdiction. Commissioner Spika explained that payments made are not for fees or services, but is considered an investment in economic development and in the community.

Commissioner Buehler reported that the Library Board will be meeting July 18th.

Commissioner Day reported that the Park and Recreation Board will be meeting out at east fork to do general cleanup on July 3rd.

Commissioner Hewitt reported that the Airport Board will meet on Wednesday, July 3rd at 3 pm.

CITY MANAGER REPORT

City Manager Holly Phelps reported on the following issues:

East Fork Reservoir Recreation Area is open and busy again this year. The park and recreation board has planned their annual cleanup for July 3rd. We will be going out to East Fork for the annual maintenance which includes: cutting grass, trimming and general cleanup of the area. Everyone is invited to join in the fun.

Last week the Board of Adjustments met regarding a variance request from the property owner at 610 4th Ave S. The variance request was to vary the side yard set back from 5 feet to 2 feet. This request makes the property more conforming than it used to be. After the public hearing the Board of Adjustments approved this request. City Manager Phelps reported that board of adjustment requests or decisions do not come back to the Commission. This is strictly an update of the request and decision. This was the first board of adjustments meeting in about 18 months.

Earlier this month the Department of Environmental Quality was here and did a sanitary survey inspection, which is the inspection of the water system. These inspections are done every 3 years and go through the system looking for areas of concern. While there were a couple of recommendations, there was no significant deficiencies noted.

There are several events schedule for this next week. On the 4th of July there will be a full day of events, beginning with pancake breakfast and ending with fireworks. There will also be a reenactment of the shoot out with Rattle Snake Jake. At the pool the swim team will be hosting their swim meet from July 5th to 7th. Therefore, the pool will have amended hours and there will be a lot of people in and around the pool this weekend.

Last week we hired three new city employees, this includes staff at the wastewater treatment plant and at the Park and Recreation department. One of them is a familiar face, Kelly Henderson, who will be our new Park and Recreation Director. Ms. Henderson has recreation experience and worked on and off for the City this last year.

There are 5 Mondays in July and would like to propose a budget work session be held on Monday, July 29th at 5:30 pm. The plan would be to go over the entire preliminary budget.

PUBLIC COMMENT – non agenda items

Ms. Sunny Lageschulte, 417 S High Street, addressed the Commission commenting that their street is in horrible condition. Ms. Lageschulte asked if they will ever get a whole new street because they do pay taxes. Commissioner Day confirmed that Public Works does have a scheduled maintenance list that the public can call in and ask to be put on the list. City Manager Phelps answered yes, there is a list and she has called in and is on the list. City Manager Phelps explained that some of the repairs are based on the availability of asphalt. City Manager Phelps commented that on the re pavement of the street, the Public Works Department prioritizes the streets based on traffic volume, condition of the road, infrastructure and drainage.

CONSENT AGENDA

Commissioner Buehler made the motion to approve the consent agenda and Commissioner Spika seconded the motion. The motion passed unanimously. The consent agenda was the acknowledgement of the claims that have been paid from June 14, 2024 through June 26, 2024 for a total of \$139,253.35

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

1. Public hearing to hear comments on a request by Rentovator, LLC to amend zoning of the property located on Rosewood Street near Fountain Terrace Drive, South High Street and East Water Street from Residential Manufactured Home to Residential Multiple-Family

Vice Chairman Day opened the public hearing to hear comments on a request by Rentovator, LLC to amend zoning of the property located on Rosewood Street near Fountain Terrace Drive, South High Street and East Water Street from Residential Manufactured Home to Residential Multiple-Family. City Planner Doug Osterman explained his review of the application based on the 12-point test consistent with purposes of zoning. City Planner Osterman commented that from his advantage point he was surprised it was manufactured housing given at that time there was a need for apartment housing. City Planner Osterman explained that today the need for housing continues and the notion of a rezone at the 36,000-foot level makes a lot sense. City Planner Director Osterman stated there were some growth policy updates from 1971 through 2006, however, each of those growth policy updates said the same thing that there is a need for higher density housing to meet the demand. City Planner Osterman stated that the proposal is completely consistent with past policy of the City that was not enacted and consistent in where the city is going with the updated growth policy. City Planner Osterman reported that no impacts were identified, however, there will be more traffic. What needs to be taken into consideration that under the existing zoning there can be 13 manufacture home on this 1.06 acres of land. With the proposed rezone there can be up to 24 units. There is a net difference in housing units of 11, which from a planning stand point and the ability to meet growth and population targets the 11 units is very important. There was a brief discussion about the traffic study done by the developer John Galt. City Planner Osterman stated that from a facilities standpoint the capacity for sewer and water is there. City Planner Osterman reported that the zoning commission had a public hearing last week and unanimously approved the request from Rentovator LLC and recommend that it go to the City Commission for final approval. Mr. Don Lageschulte, 417 S High Street, addressed the Commission stating he would rather it was manufactured homes, because if a three-story apartment building is built all the surrounding houses become a fish bowl. Mr. Lageschulte explained that he and his wife personally moved there 10 years ago because he wanted to stay away from that situation and if it were manufactured homes they wouldn't be staring down in my back yard. Ms. Janet Gardener, Fountain Terrace, addressed the Commission stating that she has to walk down Ouellette Street to get to the dog park in front of the tower building. Ms. Gardner further stated that she is quite concerned about the traffic in the area, because people drive very fast in the area and wonder if speed bumps could be put in. Ms. Lageschulte asked who determines if the Rosewood is a street or alley. City Planner Osterman answered that all the comments from the zoning meeting indicated that you would not want to see Rosewood alley improved. Commissioner Day confirmed that be definition Rosewood is considered an alley. City Manager Phelps answered yes, it is considered a platted alley and it is named because there was a property that its only access was Rosewood Alley. City Manager Phelps explained that it does not meet the legal definition of legal access and the City would not accept it because it is not to the City's design standard as a platted street. Ms. Tara Martin, 437 Rosewood Street, addressed the Commission stating she does not feel that are neighborhood can support a large building. Ms. Martin commented that the intersection of Rosewood Street and Water Street is washed out and the

intersection of High Street and Water Street is more washed out. Ms. Martin further commented that Rosewood Street has drainage issues and people's homes are already inundated. Ms. Martin would like to see a real traffic study and there are two points of access that are not streets. Mr. Frank Strnad, 425 S High Street, stated that he recently moved to Lewistown in July 2023. Mr. Strnad asked City Planner Osterman if he stated that the 1.06 acres could support 13 manufactured houses. City Planner Osterman answered that it is zoned for 13 manufactured homes and there are 13 legal platted building lots. Mr. Strnad asked for clarification if the zoning commission approved this and then where does it go next. City Planner Osterman answered that it was approved by the zoning commission and recommended to the City Commission for final approval. Mr. Strnad asked if the next step was the Commission to say yes or no that this person can go ahead and develop this property. City Planner Osterman answered that the decision would be yes, no or yes with conditions. City Manager Phelps stated that this discussion and decision is only on the zoning amendment and nothing to do with the proposal. Commissioner Hrubes stated that he would like to see the City's plan on what to do with Rosewood Alley to accommodate the area. City Manager Phelps answered the proposal shared by Rentovater tonight did not show Rosewood Street would be utilized as the primary access. City Manager Phelps explained that as a developer they are responsible to bring certain things including curb, gutter and pavement. Commissioner Buehler comments that she is aware that in the past there were high water years and asked if there is a plan in the developers plan to manage or mitigate the water coming off the hills. City Manager Phelps explained that what is required is pre and post development, actually a state law and DEQ requires you to retain the difference of the development between on your property. Commissioner Buehler asked if there are standing ponds. City Manager Phelps answered that is not yet developed. Commissioner Buehler asked if that is something that can be in the conditional part. City Manager Phelps answered that any thing you want can be considered a condition. City Planner Osterman explained it was his understanding why the developer went as far as he did with the design concept for his apartments were one to give a feel what the apartments would look like and two to determine how to get access to the property. City Planner Osterman commented that it was determined that all parking would be in the back and no parking on Rosewood Street. Commissioner Buehler asked if the road could support heavy equipment to get back in the area to build the development and has this been looked at. City Manager Phelps answered no, ultimately, we would need to see a construction plan and how they plan on accessing the property before the City could evaluate the road. Commissioner Spika stated she would like to clarify that tonight's discussion and decision is purely zoning, which is letting more people live in the spot and there is a whole another process for the rest of the project. City Manager Phelps answered that is correct. Ms. Janet Gardener commented that water coming off the hillside every year flows down through the Fountain Terrace property and overflows the big drain and is eroding the stone wall on High Street. Commissioner Day stated that tonight is the request the zoning of a property to residential multi family. Commissioner Robertson asked what the zoning is for the adjoining properties. City Planner Osterman answered there is manufactured housing and R3. Commissioner Robertson asked what the zoning is across the alley for similar size lots. City Planner Osterman answered RMO. Ms. Diane McCollum, Fountain Terrace, explained that the residents of Fountain Terrace hire people to remove the snow and the public streets aren't always done right away when there is a heavy snow. Mr. Tim Martin, 437 Rosewood, stated there are three houses located in the area and the during construction Rosewood and Water Streets are going to have to remain open to allow people access to their properties. Mr. Strnad, 425 S High Street, commented that he didn't move to Lewistown to have an apartment complex in his back yard. Mr. Strnad further commented that had he known this back when he purchased the house, he wouldn't have purchased it. Mr. Strnad stated that he would like the Commission to consider that there is opposition to this request and for good reason. Mr. Strnad does understand the need for housing. Commissioner Day

asked for comments from the audience and Commission. There being none, the public hearing was closed.

2. Discussion and action on approving the request by Rentovator, LLC to amend zoning of property located on Rosewood Street near Fountain Terrace Drive, South High Street and East Water Street from Residential Manufactured Home to Residential Multiple-Family

City Manager Phelps explained that the Zoning Commission has recommended this zoning amendment to the Commission for approval. City Manager Phelps commented that request was adequately noticed and all property owners in a 325-foot radius. City Manager Phelps reported that the Planner did the evaluation on the proposal at hand. City Manager Phelps commented that the Commission has heard the concerns this evening and if this request is approved the City will begin working through the process on the development agreement and what is expected. City Manager Phelps stated that the main water and sewer lines are located High Street and do anticipate it being excavated and the developer will have to pave it back and will be required to put in curb, gutter and pavement. Commissioner Hrubes asked who will have the final say on the building plan. City Manager Phelps answered the building inspector will do the review. Commissioner Robertson asked if this property is located in the tax increment finance district. City Manager Phelps answered that it is just outside of the district. Commissioner Buehler stated her initial thought is that the community does need housing. Housing that is available for incoming work force and individuals already in the community. Commissioner Buehler further stated that housing is a big request in our community and how that is done is very important and the Commission needs to be conscientious with that decision. Commissioner Spika stated that at this point she would vote in favor of the request. Commissioner Spika commented that housing is a need in the community and the concerns will be addressed in the development agreement. Commissioner Hrubes stated he hopes the access in and out of the area would be improved greatly compared to what it is now it a development like this is built there. Commissioner Hrubes commented that the Rosewood alley is very narrow and would like the residents in the area be able to have some say in how the streets are developed. Commissioner Robertson commented that this area being discussed has gotten more attention than it has in decades. Commissioner Robertson stated that he understands the concerns, but does feel that it is an opportunity by the City to do some work on the streets and get some of the drainage issues corrected. Commissioner Robertson would like to see a site plan developed to see where the is and open to the public. Commissioner Day commented that the area being discussed is already zoned and ready to go for 13 units and this zoning amendment would allow for 11 more units. Commissioner Day stated that she did like the 12-point check list that was provided. Commissioner Spika made the motion to approve the request by Rentovator, LLC to amend zoning of property located on Rosewood Street near Fountain Terrace Drive, South High Street and East Water Street from Residential Manufactured Home to Residential Multiple-Family and Commissioner Robertson seconded the motion. Ms. Tara Martin commented that there are a lot of different areas where apartments could be located. Mr. Strnad asked how many votes there will be. Commissioner Day stated that there are 7 Commissioners and one is absent. Commissioner Day asked for comments from the audience and Commission. There being none, the question was called for. City Clerk Brummond took a roll call vote the votes were as followed: Commissioner Buehler – aye, Commissioner Day – nay and her reason is that Commissioner Hewitt has been a large part of this request as a Commission representative on the zoning commission and not getting input from her, Commissioner Day stated that she is in favor of more housing and would like to see this zoning go forward, but at this time without the weigh in of Commissioner Terry and Hewitt she would like more information. Commissioner Hewitt – no answer, Commissioner Hrubes voted – nay, he is not in favor until he his more information. Commissioner Robertson – aye and Commissioner Spika – aye. City Clerk Brummond explained that the motion dies due to the lack of affirmative votes. City Clerk Brummond

explained that per the City's charter in order to have a meeting and vote there needs to be a quorum, which is four Commission members. City Clerk Brummond explained there are six members in attendance, which include Commission Hewitt who is attending virtually; however, she did not respond to the question, therefore there are not 4 affirmative votes. This item will have to come back on the next agenda as an item, but a public hearing would not be held. Commissioner Robertson asked the City Manager Phelps to bring back the process of how the priority list works for City streets. Commissioner Day commented that once this zoning is approved it is out of the Commissions hands. City Manager Phelps answered yes, but it would depend on what conditions the Commission puts on the approval. One of the conditions could be traffic studies.

3. Discussion and action on approving a contract with Olness and Associates for the FY2024-FY2026 Audit and authorizing the City Manager to sign the contract

City Manager Phelps explained that the City is required to have an annual audit and it must be completed by a governmental auditing firm. City Manager Phelps further explained that City Clerk Brummond did solicit some quotes for auditing services. There are two quotes with monetary amounts and there are two firms that are no longer taking on new customers. City Manager Phelps stated that the two quotes are from Denning and Downing and Olness & Associates, who are our current auditors. These quotes are strictly for a basic audit. Commissioner Buehler asked if we were satisfied with the current auditors. City Clerk Brummond answered that the quote from Denning, Downey & Associates does include some things that Olness already does and the cost difference is substantial. City Clerk Brummond comments that it is very difficult to get auditors. Commissioner Hrubes made the motion to approve a contract with Olness and Associates for the FY2024-FY2026 Audit and authorizing the City Manager to sign the contract and Commissioner Buehler second the motion. Commissioner Day asked for comments from the audience and Commission. There being none, the question was called for and the City Clerk Brummond took a roll call vote with all being in favor.

4. Discussion and action on approving the purchase of a 2016 Chevrolet pickup from Courtesy Motors, Inc. in the amount of \$31,500 for the Street Department

City Manager Phelps explained that there is a request in the Commissioners packet for a truck for the street department. The truck was budgeted for and the staff have spent the last few months looking for a vehicle to meet their needs. City Manager Phelps reported that we only got one quote and it was from Courtesy Motors in Lewistown. City Manager Phelps commented that she would recommend approval and move the money to the current budget for this item. City Manager Phelps stated that we are trading in a vehicle. Commissioner Buehler made the motion to approve the purchase of a 2016 Chevrolet pickup from Courtesy Motors, Inc. in the amount of \$31,500 for the Street Department and Commissioner Robertson seconded the motion. Commissioner Day asked for comments from the audience and Commission. There being none, the question was called for and the City Clerk Brummond took a roll call vote with all being in favor.

5. 1st reading of Ordinance No. 1772. An Ordinance amending City of Lewistown code 5-15-1 as it pertains to distances between churches and schools and establishments with a liquor license within the City Limits.

City Manager Phelps explained what was include in the packet is a good start. The ordinance committee that is made up of Commissioners Terry, Hrubes and Day met with the City Manager and City Attorney and this is not quite what was discussed at the meeting, but is still a good starting point. City Manager Phelps stated she would not recommend passing this is on first reading and there is still a few tweaks. City Manager Phelps explained this ordinance is based on the supplanting the separation requirement

between liquor establishments, churches and schools. City Manager Phelps stated what was proposed and isn't really reflected is a tier approach, which means beer and wine would be treated a little differently than a full liquor license. City Manager Phelps explained that would mean beer and wine can be supplanted or not require any separation in the commercial zones and a full liquor license would require the full separation. Commissioner Day commented that when the committee met there was still going to be a foot requirement and this reading doesn't have it. City Manager Phelps answered yes and some of the ordinance language is being modified after Kalispell's ordinances. City Manager Phelps reviewed the City zoning map and described where the commercial zoning boundaries are. Commissioner Spika asked what the reasoning was for adding a foot requirement and was it arbitrary. Commissioner Day answered that the committee agreed with a little more protection for the schools because the churches are already within x amount of feet of an establishment. Commissioner Hrubes commented that was discussion on how this would be enforced and there a very few full liquor licenses available. There was discussion about the definition of what is a school and what the schools in the City would be considered a school. Commissioner Robertson stated he does know that he sees a difference between beer and wine and hard liquor licenses. Commissioner Day asked if the type liquor license establish regulations. City Manager Phelps answered that the State has regulations for each establishment dependent on the license. Commissioner Buehler stated that she would say that a bar is more likely to have a full liquor license, whereas an eating establishment will have beer and wine only. City Manager asked the Commission if they would like to see an ordinance come with different distances or treating full liquor licenses different than beer and wine. Commissioner Spika stated that it should be fully supplanted. City Manager Phelps stated that just the distance for everything could be supplanted. Commissioner Hrubes stated that there is no reason for anything more and a beer and wine license. Commissioner Hrubes commented that if someone wants to open a bar they are not going to do it with a beer and wine license they want the full liquor license, and the idea behind the beer and wine is the ambiance of the establishment serving the beverages. City Manager stated that this will be coming back at a future meeting.

CITIZENS' REQUESTS

There were none.

COMMISSIONER'S MINUTE

Commissioner Buehler thanked the Commissioners for the good discussion.

Commissioner Spika stated that she does not agree with the decision made regarding the zoning, but respects the reasoning of why they voted the way they did.

Commissioner Hrubes asked if there is any way to speed up the filling of potholes. City Manager Phelps stated that she will talk with them. Commissioner Phelps stated that the City's roller is out of service. The weather has not been very helpful.

Commissioner Day reported that she has received some complaints regarding potholes in the Joyland area. City Manager Phelps asked if it is in the gravel area and stated that Joyland is a state route.

Commissioner Day reported that she met with a representative of the Lewistown Downtown Association today. There are a lot of items they are looking at going forward which includes a strategic plan and would like to invite someone from the Commission to attend. There will be Wednesday meetings in July and August and then back to Monday meeting in September. Commissioner Day reported they are looking to do a shop small business Saturday and a community tree lighting for the Christmas season. Commissioner Day stated that she is in favor of more housing and would like to see the addition of the 11

units, but think with the outcome tonight there are a lot of people that are not understanding what's happening in the community.

ADJOURNMENT

Vice Chairman Day adjourned the meeting.

Dated this 1st day of July 2024.

Loraine Day, Commission Vice Chairman

ATTEST:

Nikki Brummond, City Clerk