A REGULAR COMMISSION MEETING OF THE LEWISTOWN CITY COMMISSION ON AUGUST 19, 2024 WHICH WAS HELD AT THE CENTRAL MONTANA COMMUNITY CENTER AND STARTED AT 7:00 P.M.

CALL TO ORDER

Chairman Terry called the meeting to order.

PLEDGE OF ALLEGIANCE

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

ROLL CALL

Present were Commissioners: Buehler, Day, Hewitt, Hrubes, Robertson, Spika and Terry.

APPROVAL OF MINUTES

Commissioner Terry stated that without objection and based on corrections the July 15, 2024 and August 5, 2024 minutes are approved.

COURTESIES

There were none.

PROCLAMATIONS

There were none.

BOARD AND COMMISSION REPORTS

Commissioner Hewitt reported that the Airport Board met on August 7th. Commissioner Hewitt reported that the wildlife fence has a lift gate that was recently repaired at a cost of $2,300. Commissioner Hewitt commented that a Billings attorney wrote the contract for VACOM. The County Attorney made some modifications and contract has been sent to VACOM. The trap club has taken everything they want from the site and the Fire Department is going to burn the building for training. The Nexus contract will be up for renewal soon. Commissioner Hewitt reported that Curt Erlandson is retiring as of October 15, 2024. The Airport board will be reviewing that job description and get it up to date.

Commissioner Day reported that the Park and Recreation Department met on August 7th. The main topics discussed were the pool, parks, trails and civic center. The pool is now closed and a huge thank you to Jim Daniels for helping out with the pool this summer. The new expression swing will be installed soon at Frank Day park. The Soccer Club and Recreation Director continue to work on the memorandum of understanding for the official transfer of the property. East Fork was cleaned up and the recreation department received a lot of good comments. The new score boards are installed in the gym and the software program worked great for the pool and will be used for the civic center activities. RecDesk software does need to have a few adjustments made to better fit our programs. The Lewis and Clark School gym will be hosting fall sport activities. Flag football finishes this week. The next recreation program will be fall soccer.

Commissioner Spika reported that Snowy Mountain Development (SMD) met recently and the main topic of discussion was the dues. Commissioner Spika explained that the decision that was made at this time was to equalize all of the dues where every city, county and town pays the same per capita. Commissioner Spika stated that for the City of Lewistown that means we were paying around $1.60 per person and the proposal increases it to $1.69 per person which is approximately a $500 increase. Commissioner Spika reminded the Commission that this is not a fee for service but an investment in economic development. Commissioner Spika stated that the average amount per person around the state is $2.38 per person so we are paying a lot less and SMD is getting $50,000 of support. The next meeting is November 21st.

Commissioner Buehler reported that the Library Board meeting was cancelled and will be rescheduled.

CITY MANAGER REPORT

City Manager Phelps reported on the following issues:

The pool is now closed for the season and the splash deck will remain open for the next week for limited hours. The Recreation Director has been keeping the Facebook Page up to date on information regarding the civic center, the pool and recreation programs. The staff will work to get the pool winterized and finish up some larger maintenance projects done.

The water tank painting continues, the contractor hopes to get this project wrapped up by mid-September. Phase 2, schedule 2 of the water project is also out for bid. Phase 1 of the water project has now been substantially completed. The contractor could start the project that is out to bid this fall, but more than likely it will be started next year.

The Department of Transportation was in town last week with the consultant that has been selected for the Ash Street bridge replacement and sidewalk project. The group met with several stakeholders and will work for the next year to get the project designed. The project is funded by DOT's Urban Route funds that have been allocated to the City of Lewistown and Fergus County. The project is currently being planned to be completed in 2029.

The Montana Department of Labor was here last week to do safety compliance inspection on the Public Works shop. They regularly do inspections of several of our facilities. The City Manager will share the report once it is completed.

Commissioner Day asked the City Manager to explain what is happening with the snack shack. City Manager Phelps explained that one of the items on the Park Board agenda was to discuss the process of building a year around locker room facility/snack shack. The building would be a multi-use for hockey, swim team and the pool. City Manager Phelps stated that the Friends of the Pool had some concerns and the item was tabled, and now we are working to get a special meeting scheduled. City Manager Phelps explained that we would like to get it torn down yet this fall, maybe get the concrete and there are some bids for the materials. City Manager Phelps stated that the $200,000 in funding has been secured from the Recreation District funding.

Commissioner Terry reported that the sanitarian has visited both of her hotels. City Manager Phelps reported that they were recently at the pool.

PUBLIC COMMENT – non agenda items

Ms. Anne Tews, secretary of the Friends of the Trails, addressed the Commission stating that she was in attendance on behalf and at the request of the Friends of the Trails. Ms. Tews explained that the Friends of the Trails are a nonprofit group that works with the City to fund extra work done on the trails. Ms. Tews stated that for example the Friends of the Trails agreed to fund 50% of a mower to make the trails look great. The Friends of the Trails in the past have been instrumental in getting funding for bridges and paving for the trail system. Ms. Tews stated that the reason she is in attendance this evening is because the group is extremely frustrated with the City. Ms. Tews further stated that some members do not want to volunteer anymore because the City is not following through with their commitments. Ms. Tews explained that the group will sponsor the Ales to Trails this year, but are not planning on sending out fundraising letters for next year. Ms.

Tews further explained that the projects listed in these fundraising letters have not gotten completed so she doesn't feel comfortable sending letters saying projects will be completed that have not been done. Ms. Tews commented that the City has let me down on many items, but she is just here to focus on two of the projects. Ms. Tews stated that first one is the installation of the flashing beacons and trail paving grants, both items were funded in 2022. Ms. Tews explained that four flashing beacons were to be installed and only one has been installed on Brassey Street. Ms. Tews expressed her concern regarding the location of the beacons and installation of the beacons on the MDT highway. Ms. Tews asked when is the City planning to install these, is there approval from MDT to install and if the City can't install them does the Friends of the Trails have to hire someone to complete the installations. The second item is that the Friends of the Trails wrote a grant for the City of Lewistown. The City was awarded the grant in the amount of $73,000 for a $82,000 project to pave the trails near the cemetery. The initial grant stated that City had until October 15, 2024 to complete the work and if the project was not completed by that date the money would need to be returned. Ms. Tews asked what can be done to complete these projects. Ms. Tews commented that there has been very poor communication between City management and the Trails group. Ms. Tews asked what can be done to improve the communication. Commissioner Buehler asked Ms. Tews knew if the funds had to be expended by October 15, 2024. Ms. Tews stated that she did get a hold of someone today and they indicated that the grant could be extended. City Manager Phelps stated that for the entire summer there have been two street workers for the entire community and does not have the staffing to complete extra projects. City Manager Phelps further stated that another employee has been hired for the street department and does feel the street department can get the flashing beacons installed. However, it may not happen as fast as you would like, and will include the Trails Coordinator in the project. City Manager Phelps commented that many of projects have been overlooked due to a lot of staff vacancies. City Manager Phelps stated that nothing has been approved by DOT at this time and will need to apply for the encroachment permits. City Manager Phelps commented that she believed DOT would approve the encroachment permits and have asked DOT to install the beacons on Highway 238 because their project butts up to the trail. City Manager Phelps explained that the paving project has been advertised for bid and the City's process is to solicit bids for two weeks and is planned to be awarded at the next meeting. Commissioner Terry asked what can be done to fix the flashing beacon that is already installed. City Manager Phelps answered that it does take two people to reprogram it. There was a brief discussion regarding the communication between the two parties and it was noted that the City needs to work on open and informative communication. Commissioner Terry asked who wrote the grant. City Manager Phelps answered that Ms. Tews wrote the grant.

CONSENT AGENDA

Commissioner Day made the motion to approve the consent agenda and Commissioner Buehler seconded the motion. The motion passed unanimously. The consent agenda was the acknowledgement of the claims that have been paid from August 1, 2024 to August 15, 2024 for a total of $71,978.77

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

1. Discussion and action on Resolution No. 4162, a resolution approving an application from W. Randall ("Randy") Hafer and Janna Hafer, for a TIF revolving loan

City Manager Phelps stated that at the last TIF board meeting, the board had a lengthy conversation on an application they had received for a TIF revolving loan funding. This application is for the Broadway Apartments and they are requesting $100,000 to provide the documentation necessary to continue with the permitting process. City Manager Phelps explained that loan is for $100,000, with an interest rate of 5% over 10 years. The first-year payment will be interest only and a balloon payment in year seven. The TIF board did unanimously approve the application and now it is before the Commission for final approval. Commissioner Robertson explained that he serves on the TIF/TEDD board and this is not was initially envisioned for these revolving loan funds. It was more intended to be a gap filler at end of the stack of loans. Commissioner Robertson commented that in this case it is almost a need to move the engineering forward to get to a building point. Commissioner Robertson commented that the language was included in the loan that states the revolving loan fund has first position as a lien on the property and personal guarantee. City Manager Phelps stated that the project will bring housing to the community which is a need for our community. Commissioner Hrubes made the motion to approve Resolution No. 4162, a resolution approving an application from W. Randall ("Randy") Hafer and Janna Hafer, for a TIF revolving loan noting that the TIF is in first position on the loan and Commissioner Spika seconded the motion. Commissioner Terry asked for comments from the audience and Commission. Ms. Sara Hudson commented that she has worked with Randy Hafer on previous projects and he does know how to build his capital stack and, in this situation, he has done it very well with the different funding sources he has received. Commissioner Hrubes commented that he is very happy to see the funds being used to benefit the community. There being no more comments, the question was called for and the Clerk took a roll call vote with all being in favor of the motion.

2. Discussion and action on approving the 2024-2025 annual plan for the Tax Increment Finance District

City Manager Phelps explained that the estimated tax revenue is very projected because we do not have the final number of mills for the tax year. City Manager Phelps explained the break down of the budget with 40% of the funds for the revolving loan fund, 1% will go to SMDC and management expenses, 25% to private property investment, 45% to infrastructure investment, 19 % to discretionary investment opportunities and 10% to reserve and future funding opportunities. The TIF board's budget continues to prioritize private and public investments to generate taxable value. These projects include but are not limited to improving building facades, infrastructure and other public benefits. The board will work to expand their knowledge of revolving loan funds and bonding options in order to be more prepared to take on larger projects moving forward. The investment plan and application are used to determine eligible applicants and projects. Snowy Mountain Development staff continues to act as administrators for the board. Commissioner Day made the motion to approve the 2024-2025 annual plan for the Tax Increment Finance District and Commissioner Hewitt seconded the motion. Commissioner Day asked if one wanted to apply for funding when is the application deadline. City Manager Phelps answered that the TIF board meets every month, but like to have it a month in advance to review it prior to the meeting. Commissioner Terry asked for comments from the audience and Commission. Commissioner Hrubes explained that the Commission knows he has concerns with tax payer money sitting idle and appreciates Commissioner Robertson taking the time to explain the long-term goal of the TIF and the possibility of upcoming projects. Commissioner Robertson stated that the TIF board has no desire to sit on the money, but to fund the right projects to generate tax revenue. There being no more comments the question was called for and Clerk took a roll call vote with all being in favor of the motion.

3. Discussion and action on approving the 2024-2025 annual plan for the Targeted Economic Development District

City Manager Phelps stated that this is the Targeted Economic Development is similar to the TIF and the estimated tax revenue is just under $155,000 with just over $300,000 cash carryforward for a total operating budget of around $492,000. City Manager Phelps explained the break down of the budget with 10% for private property investment, 65% in infrastructure investment, 15% discretionary investment opportunities and 10% of their funds allocated to reserve/future funding opportunities. City Manager Phelps reviewed the annual workplan. The TED board's budget continues to prioritize private and public investment to generate taxable value. These projects include but are not limited to improving infrastructure. The investment plan and application are used to determine eligible applicants and projects. Snowy Mountain Development staff acts as administrator for the board. Commissioner Spika asked why there is no administrative expense. City Manager Phelps answered that this board has not had an application and this district is in the infancy systems. Commissioner Robertson explained that you will see a difference in how the revenue is budgeted and it is done per plan. This district has a much greater infrastructure investment and that is because there is a huge need west of town for the extension of sewer and potential of a business park development. Commissioner Robertson explained that one of the tools that is available for the TIF/TED districts is the option to bond and does think it may happen in a future development. Commissioner Spika made the motion to approve 2024-

2025 annual plan for the Targeted Economic Development District and Commissioner Day seconded the motion. Commissioner Terry asked for comments from the audience and Commission. There being none, the question was called for and the Clerk took a roll call vote with all being in favor of the motion.

4. Public hearing to hear comments on Resolution No. 4159, a resolution approving the fiscal year 2025 work plan and budget for Tourism Business Improvement District #1

Chairman Terry opened the public hearing to hear comments on Resolution No. 4159, a resolution approving the fiscal year 2025 work plan and budget for Tourism Business Improvement District #1. City Manager Phelps explained that the Tourism Improvement Business District (TBID) is the hoteliers in the City. The group recently requested that the City allow them to continue another 10 years. The proposed workplan was approved by the board and is very similar to the previous year. The projected budget is $40,000, with remaining cash of $20,000 for a total operating budget of $60,000. The TBID's purpose is to create opportunities and focus efforts on the TBID's mission which is generating room nights for lodging facilities in the City. This is done by effectively marketing our region as a preferred travel destination. This includes marketing across the state that includes brochures, catalogs, flyers and digital. The budget is broken down for marketing sponsorship of events, other opportunities, the City does the administration and the insurance for the group is around $1,000. Commissioner Terry reported that this is a much smaller budget and this board operates on dollar bills. Commissioner Terry commented that the TBID does sponsor a lot of the local events that are held in Lewistown. There was a brief discussion regarding the budget. This is not a tax it is an assessment and the City is just the pass through. Commissioner Terry asked for comments from the audience and Commission. There being none, the public hearing was closed.

5. Discussion and action on approving Resolution No. 4159, a resolution approving the fiscal year 2025 work plan and budget for Tourism Business Improvement District #1

Commissioner Hrubes commented that the end result of the TBID is when you can bid an annual meeting to bring people into Lewistown for an annual meeting and can bid it less per person. Commissioner Hrubes stated that this is a great option. Commissioner Day asked if there has been any discussion regarding raising the assessment fee. Commissioner Terry stated that the board has discussed this and it may happen this next year. City Manager Phelps commented that the board will like to get the money out in the community and have spent a lot of money on the billboard west of Lewistown. Commissioner Spika made the motion to approve Resolution No. 4159, a resolution approving the fiscal year 2025 work plan and budget for Tourism Business Improvement District #1 and Commissioner Day seconded the motion. Commissioner Terry asked for comments from the audience and Commission. There being none, the question was called for and the Clerk took a roll call vote with all being in favor of the motion.

6. Discussion and action on approving Resolution No. 4160, a resolution approving an assessment to defray the cost of the work plan and budget for Tourism Business Improvement District #1 for fiscal year 2025

City Manager Phelps explained that the TBID assesses a $1 per occupied room a night and would like to continue with this assessment. Commissioner Hrubes asked when Bed and Breakfast facilities will be included in the TBID. Commissioner Terry answered that they have to pay lodging tax but they are not technically in the hotelier's district. Commissioner Terry explained that right now it is defined as any hotel with six rooms or more. All hotels have a representative on the board. Commissioner Buehler made the motion to approve Resolution No. 4160, a resolution approving an assessment to defray the cost of the work plan and budget for Tourism Business Improvement District #1 for fiscal year 2025 and seconded by Commissioner Hrubes. Commissioner Terry asked for comments from the audience and Commission. There being none, the question was called for and the Clerk took a roll call vote with all being in favor of the motion.

7. Discussion and action on approving Resolution No. 4161, 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, 2024 and ending June 30, 2025

City Manager Phelps explained that this resolution is setting the date for approval of the final budget. If this is approved the Clerk will advertise for the public hearings to approve the budget. Commissioner Day made the motion to approve Resolution No. 4161, 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, 2024 and ending June 30, 2025 and Commissioner Hewitt seconded the motion.

CITIZENS' REQUESTS

There were none.

COMMISSIONER'S MINUTE

Commissioner Buehler commented that she has been invited by the Fergus Conservation District to a meeting tomorrow to discuss eastern heath snails. They will be touring the Lewistown Honda property. City Manager Phelps stated that these are invasive snails that are harmful to hay and other agriculture crops.

Commissioner Robertson reported that the new shelter at Frank Day Park has been used a lot and is a very great benefit to the park. Commissioner Robertson commented that he hopes the bathrooms at Frank Day Park will be improved.

ADJOURNMENT

Chairman Terry adjourned the meeting.

Dated this 19th day of August, 2024.

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KellyAnne Terry, Commissioner Chairman

ATTEST:

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Nikki Brummond, City Clerk