JOURNAL OF JOINT WORK SESSION MEETING OF THE GREAT FALLS CITY COMMISSION AND CASCADE COUNTY BOARD OF COMMISSIONERS
CIVIC CENTER, GIBSON ROOM
DECEMBER 13, 2010

CALL TO ORDER: 4:00 p.m.

ROLL CALL: City Commissioners present: Michael J. Winters, Robert Jones, Bill Bronson, Mary Jolley and Fred Burow. Cascade County Board of Commissioners present: Joe Briggs, Bill Salina and Jane Weber.

Legislators present: Brad Hamlett, SD 10; Carlie Boland, HD 23; Cleve Loney, HD 25; Mitch Tropila, SD 12; Trudi Schmidt, SD 11; Robert Mehlhoff, HD 26; Brian Hoven, HD 24; and Anders Blewett, SD 11.

Also present were the City Manager, Deputy City Manager, and City Clerk.

Commissioner Weber facilitated the meeting with local legislators. On behalf of local government, she explained that it is difficult when the State shifts the work down to the local government sector without providing adequate resources to do the job.

She explained that a handout was prepared for informational and dialogue purposes. The handout sets forth several resolutions passed by the Montana League of Cities and Towns (MLCT) and the Montana Association of Counties (MACo) that affect the Great Falls/Cascade County area that the City and County Commissions want legislators to focus on.

Commissioner Bronson thanked the legislators for this opportunity to share some matters of common concern to both the City of Great Falls and Cascade County. Cities and counties rely to a great degree on the direction that local legislators provide when it comes to legislation. Many of the decisions legislators will be making over the next four months could have a significant impact on the operations of city government and county government. As partners in a common enterprise, Commissioner Bronson encouraged local legislators to call upon the commissioners when questions arise so that they can develop new legislation collectively. From the standpoint of the City, he emphasized matters of particular concern were unfunded mandates, the importance of the Local Government Entitlement Program, the importance of maintaining and enhancing the Tax Increment Financing (TIF) program to help promote economic development, as well as the importance of the Treasure State Endowment Program (TSEP) to be able to improve or construct new water and sewer systems.

Commissioner Weber asked if there were any questions regarding the Local Government Entitlement Program, Tax Increment Financing, or the Treasure State Endowment Program.

Representative Loney asked for an explanation regarding the Treasure State Endowment Program. Commissioner Bronson responded that in the early 1990's there were a number of proposals to try to make use of monies from the coal severance tax or interest from it. This

program grew out of that interest. As a result it was set up with the idea of providing monies from the interest from that fund for use in various kinds of infrastructure projects in the cities and counties. The legislature doesn't take the money every two years and allocate it. Those monies are typically made available to the Department of Commerce. There is a competitive grant process whereby interested communities can apply for those funds. This is not an earmark program.

Commissioner Briggs added that it is a trust within a trust. He highlighted that the competitive process includes engineers not involved in the projects that score the requests. In addition to the Upper and Lower River Road Water & Sewer project are all of the rural water and sewer districts. Changing regulations with the Clean Water Act from the Environmental Protection Agency has put virtually all of the rural water systems in non-compliance. TSEP was involved in Gore Hill, Sun Prairie, and Sand Coulee projects. It is also a way to leverage funding that has been diverted in the coal severance tax to bring in additional funds. The goal was to create an infrastructure rebuilding process within the coal trust fund system.

Representative Schmidt added that TSEP grants have been a godsend for many communities across the State. She hoped local legislators would be learning about this and would be supportive of TSEP.

Representative Mehlhoff provided an example that if Sun Prairie doesn't receive a TSEP grant, it will have to wait a few years to start the project. Waiting two years could result in the project being cost prohibitive.

Representative Schmidt inquired what cities and counties feel about the option of repealing medical marijuana.

Commissioner Weber responded that medical marijuana is one issue the cities and counties don't have one hundred percent consensus on how to solve. It has caused problems with control and where practitioners are allowed to sell. From her perspective, clarity on those issues would help so that the cities and counties are not left guessing and taking the heat for making some of those decisions that are not clear in the legislation.

Commissioner Briggs added that the problem he sees is whether all the people that have cards should have cards. The lack of regulation on the growers has created a number of different issues. Since Cascade County has countywide zoning, it can handle the zoning issues. Most counties do not have zoning regulation so it presents a much bigger problem with the rural communities. In Cascade County a problem is that there are not sites ready to go in the industrial areas that the caregivers find suitable. The biggest problem he sees from the County's standpoint is the law enforcement avenues. It is confusing as to who is supposed to have a card, and how is the distribution handled if someone is pulled over in a vehicle inside the city limits. Another perplexity that he asked the legislators to realize is the very different structure between city and county governments. City governments, with self governing powers, have the authority to do anything except what is specifically stated in State law that it can't do. Counties, on the other hand, can only take action on those things it is specifically empowered for. The City can regulate transaction of business. The County can only regulate the location of a business. The

issue of where a medical marijuana business can exist is very different between the cities and counties. The resulting legislation needs to be crafted in such a way that both have the toolsets necessary to achieve the goal.

Commissioner Bronson noted that his client from California couldn't believe how easy it was to get a card in Montana versus the process in California. He thinks if the legislature will address those problems of inequities and create a regulatory system, then it will become easier for cities to deal with issues of zoning.

Commissioner Briggs noted that the legislators will be receiving a copy of the Montana Association of Counties (MACo) policy book. He reviewed some of the more pressing MACo resolutions contained in the handout. The County Commission is concerned about the Local Government Entitlement Program. Unlike the State with the ability to raise taxes, local governments are bound by I-105. He urged the legislators to look at the State operations before trying to balance the budget on the counties and cities. The problem is not at the local level. It is at the level local legislators have direct control over.

Another MACo resolution concerns historic road right-of-way deed purchase. Commissioner Briggs reported that certain easements were never perfected. The State is now claiming ownership of some County roads and demanding payment for the right-of-way. The resolution extends the timeframe to get this resolved until 2020.

Commissioner Briggs discussed a MACo resolution that seeks to allow county commissions authority to designate and administer military affected areas within their jurisdiction, similar to airport area affected regulations. This would allow commissions to enact land use policies designed to minimize the encroachment of military missions and facilities by civilian activity. In addition to Cascade County, the Joint Land Use Study (JLUS) revealed that Fort Harrison and the Army Reserve Training Range also have issues.

Another MACo resolution seeks zoning definition and clarity. Commissioner Briggs explained that this resolution is a result of the lawsuit regarding rezoning of the Highwood Generating Station. He explained that the Supreme Court relied on the definition of spot zoning. Spot zoning is a concept developed through the judiciary. It has never been defined by the State legislature.

Commissioner Briggs also discussed technology districts and tax increment financing (TIF) districts. He explained that when an area with a set value is placed within a TIF district, a boundary surrounds that parcel of land. The Department of Revenue certifies the value of that property before any new construction occurs. As businesses, or whatever qualifies for inclusion in the TIF district, are constructed the tax value rises. The City, County, State and School Districts continue to get the base level of property taxes. The difference between the base level and increased value due to added businesses or new taxable value, is called the increment and goes into a fund to provide the infrastructure that generated the growth in that area. There are technology districts, urban renewal districts, and industrial districts. The MACo resolution supports legislation that amends current technology district statutes to allow Montana businesses to participate in technology districts whose sales are primarily to Montana customers. Another

MLCT and MACo resolution supports the continuation and improvement of tax increment financing. Legislation seeks to combine the different types of TIF districts into a single type that can be utilized by cities, towns and counties alike.

Representative Schmidt inquired where the language came from regarding the requirement of 50% of a business revenue needing to be earned outside of Montana.

Commissioner Briggs responded that the language came out of the legislature. It is the same language contained in the tax abatement legislation that allows local governments to reduce the taxes on a new or expanding business.

Commissioner Weber discussed the Governor's proposal to have a sole source provider administer the Medicaid Program for the entire State of Montana. She explained that Cascade County has a Medicaid Waiver Program. The objective is to provide services that allow people to remain in their homes. She expressed concern that it is unclear how the proposal will provide cost savings to Montana and how the client might be served or get the service that is needed.

Representative Schmidt noted that a big concern is that in 1997/1999 there was privatized managed care for mental health that was a disaster. There are questions now if this would be the same kind of situation. It is unclear how money will be saved and what the impacts will be.

Commissioner Briggs added that he was told a Request for Proposals (RFP) will be issued in January. His understanding is that the Governor's budget includes these presumed savings from this process. This is a major policy decision and the legislators should be involved.

In conclusion, Commissioner Briggs reviewed two senate bills concerning administration and operation of detention centers, and authority to hire and fire detention staff. He explained that the County opposes SB 17 and SB 18 that sets forth that only a sheriff or chief of police operate detention centers, and why it is imperative to follow correct HR procedure and policies.

Commissioner Weber asked if there were any questions from members of the public.

Richard Liebert, 289 Boston Coulee Road, commented that he was in favor of TIF districts, but that there needs to be a balance in what the community has to take on as a burden in terms of tax base. He encouraged renewable portfolio standards being essential to the County to create jobs.

There being no one else to address the panel, Commissioner Weber thanked the legislators for keeping the interest of the local communities and local government in mind while they are in Helena.

Representative Hoven commented that when the South Arterial was canceled, the roads to be fixed were reprioritized with the money that became available. He commented that Fox Farm Road and 15th to 38th Streets should be a high priority.

With regard to Fox Farm Road, Commissioner Briggs responded that there are on-system and off-system roads, and roads included within the metropolitan planning district. Fox Farm is

within the district, which means that there are other funds that can be used besides the redirecting of the South Arterial funds to address that particular road. That was why the committee chose to not make that one of the priorities.

Representative Mehlhoff commented it was exciting to see city and county officials sitting down together with legislators to discuss issues that affect the Great Falls area. He would like to see this more often to help move Great Falls forward.

Representative Schmidt concurred with Mr. Mehlhoff, and added that it is important to meet because representatives are also on interim committees that affect communities.

Representative Hoven inquired about building codes.

Commissioner Jones explained that once the State adopts a building code, then it becomes a requirement of the City of Great Falls to adopt the same code. Building Codes are done through the Administrative Rules process.

ADJOURN

There being no further discussion, Commissioner Weber adjourned the joint work session meeting of December 13, 2010 at 5:20 p.m.