

CITY OF COLUMBIA FALLS
CITY COUNCIL REGULAR MEETING MINUTES
HELD AUGUST 21, 2023

Mayor Barnhart called the meeting to order at 7:00 p.m.

ROLL CALL: Councilor Fisher, Councilor King, Councilor Lovering, Councilor Piper, Councilor Robinson, Councilor Shepard and Mayor Barnhart.

Also present: City Manager Nicosia, City Clerk Staaland, City Attorney Breck and Police Chief Peters.

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA: Councilor Robinson motioned to approve the agenda, seconded by Councilor Lovering and the motion carried.

CONSENT AGENDA: Councilor Piper made motion to approve the consent agenda noting all claims appeared to be in order, seconded by Councilor King with council voting as follows: Ayes: Robinson, Shepard, Fisher, King, Lovering, Piper and Barnhart.

Approval of Claims - August 21, 2023 \$83,589.13

Approval of Payroll Claims - August 18, 2023 - \$166,025.97

Approval of August 7, 2023 Regular City Council Meeting Minutes

Approval of City Manager Employment Agreement - 2024 FY

NOTICE OF PUBLIC HEARINGS/PUBLIC HEARINGS:

2023 - 24 Fiscal Year Budget Hearings Continued

City Manager Nicosia will continue the presentation of the 23-24 FY Preliminary Budget until Adopted

City Manager Nicosia presented the Council with the detailed FY 23-24 Preliminary Budget reviewing revenues and appropriations. Nicosia reported that the total budget is \$20,057,365 as follows:

General Fund		\$ 4,215,985
Special Revenue Funds		\$ 5,549,202
Debt Service Funds		\$ 35,729
Capital Project Funds		\$ 1,709,178
Water		\$ 1,051,346
Sewer		\$ 7,428,298
Fire Relief Pension		\$ 67,627
Total		\$ 20,057,365

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Revenue Sources are as follows:

Taxes & Special Assessments	\$	2,973,963	14.83%
Licenses & Permits	\$	170,000	0.85%
Intergovernmental (Incl. Grants)	\$	4,988,950	24.87%
Charges for Services & Misc.	\$	2,335,853	11.65%
Fines & Forfeitures	\$	162,100	0.81%
Investment Earnings & Misc.	\$	333,000	1.66%
Other Financing Sources	\$	3,815,558	19.02%
Cash Carryover	\$	5,277,941	26.31%
Total	\$	20,057,365	

Appropriations by Category:

Personal Services	\$	4,303,877	21.46%
Operating & Maintenance	\$	2,912,011	14.52%
Capital Expenditures	\$	8,099,469	40.38%
Depreciation - Proprietary	\$	756,000	3.77%
Debt Service	\$	170,450	0.85%
Transfers	\$	3,815,558	19.02%
Total	\$	20,057,365	

Nicosia reported that the recommended tax levy, including the 2.0 Permissive Emergency Disaster mills total 90.36, down from 181.01 for the 23 FY. Council discussed the 2.00 Emergency Disaster mills and the majority agreed with having the mills available to meet future emergency obligations.

Nicosia reviewed General Fund in detail:

	23-24 FY		22-23 FY	Change 23 and 24 FY
Property Taxes	\$ 722,969	17%	\$ 1,331,428	\$ (608,459)
Licenses & Permits	\$ 67,000	2%	\$ 71,475	\$ (4,475)
Intergovernmental Revenues	\$ 1,229,909	29%	\$ 1,161,928	\$ 67,981
Charges for Services	\$ 280,310	7%	\$ 228,347	\$ 51,963
Fines & Forfeitures	\$ 156,100	4%	\$ 177,300	\$ (21,200)
Investment Earnings & Misc.	\$ 70,000	2%	\$ 5,000	\$ 65,000
Transfers In	\$ 1,506,735	36%	\$ 590,717	\$ 916,018
Cash Carryover	\$ 182,962	4%	\$ 300,500	\$ (117,538)
Total	\$ 4,215,985	100%	\$ 3,866,695	\$ 349,290

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	2023-2024	2022-2023	2021-2022	Change 22 and 23 FY	Change 23 and 24 FY	% Change
Legislative	\$ 116,348	\$ 119,755	\$ 114,382	\$ 5,373	-\$3,407	-2.8%
Court	\$ 215,616	\$ 207,436	\$ 196,273	\$ 11,163	\$8,180	3.9%
Admin & Planning	\$ 162,606	\$ 146,941	\$ 136,449	\$ 10,492	\$15,665	10.7%
Finance & Comp System	\$ 269,837	\$ 265,936	\$ 249,371	\$ 16,565	\$3,901	1.5%
Legal	\$ 96,240	\$ 91,943	\$ 87,085	\$ 4,858	\$4,297	4.7%
Facilities Maintenance	\$ 128,207	\$ 115,980	\$ 113,246	\$ 2,734	\$12,227	10.5%
Police	\$ 1,731,842	\$ 1,662,041	\$ 1,472,826	\$ 189,215	\$69,801	4.2%
Fire	\$ 666,804	\$ 251,326	\$ 238,886	\$ 12,440	\$415,478	165.3%
Parks & Trees	\$ 303,276	\$ 241,128	\$ 201,828	\$ 39,300	\$62,148	25.8%
Pool	\$ 143,739	\$ 107,806	\$ 106,854	\$ 952	\$35,933	33.3%
Comp. Insurance	\$ 105,207	\$ 93,579	\$ 86,846	\$ 6,733	\$11,628	12.4%
Term Costs	\$ 50,500	\$ 50,500	\$ 50,500	\$ -	\$0	0.0%
Streets/Sidewalks	\$ 10,000	\$ -	\$ 23,750	\$ (23,750)	\$10,000	100.0%
Misc	\$ 42,820	\$ 42,770	\$ 42,598	\$ 172	\$50	0.1%
Debt payments	\$ 14,943	\$ 15,777	\$ 16,053	\$ (276)	-\$834	-5.3%
Transfers to CIP	\$ 158,000	\$ 252,082	\$ 381,210	\$ (129,128)	-\$94,082	-37.3%
Total	\$ 4,215,985	\$ 3,665,000	\$ 3,518,157	\$ 146,843	\$550,985	15%
	\$ -					

Nicosia reported on the significance of the Resort Tax on the General Fund. The transfers from Resort Tax to General Fund are \$ \$847,925.79 in Tax Relief, \$166,292 fund Police Department and \$206,962 to fund paid Firefighters. Nicosia noted that the Police Department budget had been increased in the 2022 FY for the 9th officer, in anticipation of resort tax funding, and the 2024 FY budget adds the 10th police officer as approved by City Council. The Columbia Falls Rural Fire District contributes an additional \$100k to assist with funding the three paid firefighters. The Resort Tax transfer for Fire includes only funding for the paid firefighters. A reserve of \$88,698 remains in the Resort Tax fund for capital needs.

Nicosia said Mayor Barnhart had a good question regarding Resort Tax projects for the 2024 FY: Would it be prudent to not anticipate the conservative number \$1.5 million but to deliberately reduce it. Nicosia said Council could decide to reduce your maximum levy because you have resort tax money to help fund Police and Fire. Nicosia said conservatively staff anticipates collecting 1.5 million in resort tax monies next year, or Council can reduce the estimated collection to 1.3 million. Councilor Fisher said he likes the idea but respectfully disagrees with it. He likes Nicosia's 1.5 million estimate and believes we will overshoot it. The resort tax committee discussed the 25% paid back to the tax payers and it is a fair rebate and he would like it to stay there said Fisher. Councilor Lovering said she would like to get a better grasp on the collection of the resort tax. Ultimately if 1.5 is a confident figure from the City Manager then that is where we should go said Lovering. Councilor Shepard concurs with Fisher and Lovering to leave the 25% in place. Robinson is comfortable with what has been said at staying with 25% to the tax payers but is also comfortable with the collection being estimated at 1.3 million. Councilor King said if \$1.5m is conservative why not reduce it to 1.3 million and not take a chance. Mayor Barnhart asked Nicosia what happens if we don't collect \$1.5 million. Nicosia replied we use the percentages we set for the amount brought in below the estimated amount. If we go over the 1.5 million the amount over projection goes to the tax payers. Nicosia stated based on reporting before, businesses are not softening and new businesses are coming to Columbia Falls. Councilor Piper believes we are just getting going and he is comfortable with staying with the initial plan. Lovering added what citizens get isn't just about a tax rebate, its investments into the community. Fisher agrees with Nicosia and businesses are not softening and does not see it happening soon. Mayor Barnhart said he was glad it was

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brought up for council discussion and after discussion he is comfortable with the \$1.5 million in resort tax collections.

Dave Petersen, 201 4th Ave. E. said how much money do we need to run the Police and Fire departments. What are the priorities for the tax payers? What he hears is we gave the tax payer enough with 25%. The pressure to support the Fire Dept., Police Dept. and parks is less due to getting the resort tax. Mr. Petersen believes we will hit \$2 million in collections by next year.

Mayor Barnhart suggested a short recess at 9:07 p.m. Mayor Barnhart called the meeting to order at 9:11 p.m. Councilor Robinson was not available to return from the recess.

Nicosia concluded the review of the remaining fund revenues and appropriations.

ORDINANCES / RESOLUTIONS:

Resolution # 1904 - A Resolution of the City of Columbia Falls, Montana, Levying Assessments upon Property within Special Improvements Districts to Defray the Cost of Said Special Improvement Districts for the Fiscal Year 2023-24

City Manager Nicosia said staff recommends approval based on \$330,000 for street maintenance and \$30,049 for special lighting district noting that Clerk Staalnd just received the property file and is finalizing the square footage and frontage for the annual assessments.

Councilor Lovering made motion to approve Resolution # 1904, seconded by Councilor Shepard with council voting as follows. Ayes: Shepard, Fisher, King, Lovering, Piper and Barnhart.

Resolution # 1905 - A Resolution of the City Council of the City of Columbia Falls, Montana, Redefining the Area included within the Columbia Falls Street Maintenance District and Method of Assessment

City Manager said this is an annual resolution with no new annexations into the city limits this year.

Councilor Piper motioned to approve Resolution # 1905, seconded by Councilor Lovering with council voting as follows. Ayes: Fisher, King, Lovering, Piper, Shepard and Barnhart.

Resolution # 1906 - A Resolution of the City Council of the City of Columbia Falls, Montana, Setting the Salary and Compensation of Certain City Officials and Employees Pursuant to Title 7, Chapter 4, Part 42, M.C.A. for the 2023-24 Fiscal Year

Councilor King made motion to approve Resolution # 1906, seconded by Councilor Shepard with council voting as follows. Ayes: King, Lovering, Piper, Shepard, Fisher and Barnhart.

REPORTS / BUSINESS FROM MAYOR & COUNCIL

Councilor Shepard said our community is not the only one that has area residents that do not want the city to expand; it appears it is all over the country.

Councilor Lovering said she noticed in the claims that we do not have Ace Hardware in there and inquired if we were doing business with them. Nicosia said we do shop locally and it depends on what we are looking for and the best price.

Councilor Fisher said he appreciates and thanks Chief Peters for bringing forward information on the resort tax and public safety.

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Mayor Barnhart concurred with Councilor Fisher.

Mayor Barnhart also reported that people are invisible when crossing on Nucleus Avenue. Can we work with the state on a pedestrian crossing? Nicosia said Bob Vosen with MDOT will at the September 18, 2023, council meeting to discuss concerns in Columbia Falls.

CITY MANAGER REPORT

City Manager Nicosia said we had the urban map review with MT DOT and they made it clear they had to meet specific federal and state regulations and they technically cannot change the boundary. However, it is not used for planning purposes, only funding.

Nicosia said she was reading the article in the Hungry Horse News on 600 VRBO's in Columbia Falls. Nicosia emphasized the 59912 area zip code is huge; it goes north toward Polebridge, almost to Whitefish, down 206 near Hwy 35, almost to Hungry Horse and all of Hwy 2 going towards Kalispell. Within the city there are approximately 100 nightly rentals said Nicosia. There are many outside the city and the city planning jurisdiction leaving a large amount in the county's jurisdiction.

The League of Cities and Towns annual conference will be in Helena on October 11-13, 2023 if you wish to attend contact Barb for registration.

MISCELLANEOUS

Correspondence

ADJOURN

Mayor

City Clerk