

**CITY OF COLUMBIA FALLS
CITY COUNCIL REGULAR MEETING MINUTES
HELD JUNE 17, 2024**

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

ROLL CALL: Councilor King, Councilor Lovering, Councilor Price, Councilor Robinson, Councilor Shepard, and Mayor Barnhart

Also present: City Manager Nicosia, City Clerk Staaland, City Attorney Breck via zoom, Chief of Police Peters, Finance Director Bates, and Fire Chief Weeks

PLEDGE OF ALLEGIANCE

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

CONSENT AGENDA: Councilor Robinson motioned to approve the consent agenda, seconded by Councilor Lovering and the motion carried unanimously.

Approval of Claims - June 17, 2024 - \$1,231,617.52, as revised with claims corrections.

Approval of Payroll Claims - June 7, 2024 - \$110,556.99

Approval of the Regular Council Meeting Minutes - June 3, 2024

Authorize City Manager to Execute the Agreement Documents and Change Order #1 with Prospect Construction, Inc. for the WWTP ARPA Phase 2 Project as Modified

Approval of DNRC Grant Agreement UCF-24-312, Federal Award 10.727 and Authorize City Manager to Execute

Approval of Water/Sewer Utility Bad Debt Write-offs - June 2024

VISITORS/PUBLIC COMMENT (Items not on agenda)

Shirley Folkwein, 285 Shooting Star Dr. said she noticed that the Planning Commission and Planning Board meetings are not listed on the city website calendar. She said it was her understanding that they would be meeting monthly. Ms. Folkwein inquired on the Garnier Heights Subdivision which law and policy will cover it.

NOTICE OF PUBLIC HEARINGS/PUBLIC HEARINGS:

Public Hearing - 2024-25 Fiscal Year Preliminary Budget Hearings:

The City will begin the 2024-25 Fiscal Year Preliminary Budget Hearings with a presentation by City Manager Nicosia on the Special Street Maintenance and Street Lighting Assessments. The Street Lighting Assessment will remain at the same level as the 2023-24 FY. The Street Maintenance Assessment is recommended to increase 5% to offset the higher cost of maintaining the City's 39 miles of streets.

The Preliminary Budget hearing will also include staffing change recommendations, on-going capital projects and projected revenues and expenditure activity with significant budgetary impact for the 2024-25 Fiscal Year.

The Budget Hearings will remain open until the final budget adoption in September 2024.

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City Manager Nicosia said tonight the City Council is reviewing the Street Lighting and Street Maintenance District assessments as required by state law. The City has not had any annexations in 2023 so the square footage or frontage has not changed unless there was an updated property survey.

Street Lighting frontage was calculated based on 237,454.97 feet. The current lighting assessment is \$30,049. Last year's Street Maintenance assessment was \$330,000 based on 40,627,407.92 square feet. The recommended assessment for 24-25 FY is \$346,500, a 5% increase. This results in a \$2.54 increase on a standard city lot, 6,250 square feet.

The City Council approved an increase in the 23-24 FY Street Maintenance Budget in the amount of \$54,643 (\$ 554,080 from \$499,437). At the time of adoption, the City anticipated using cash reserves and gas tax funds for the budget. As of May 2024, Fund 2500 cash balance was in the red \$17,526. The 2nd half of the assessment collections were sent today from Flathead County and should restore cash to a positive balance. However, the City must adjust the Street Maintenance Assessment to continue providing the necessary level of service. The City added the 2nd "floater," in 2022 year, freeing up water operators to perform water system duties.

The Street Maintenance Fund can only be used for maintenance, no construction activities pursuant to state law. The Street Maintenance Fund is supplemented by the Gas Tax Funds. Regular Gas Tax was limited to 25% for capital, approximately \$23K per year as we are still a 3rd class city. The 2023 Special Gas Tax Funds were used for the Chip Sealing/Crack filling project. The City no longer needs to provide matching funds to spend the Special Gas Tax. Additionally, Nicosia noted that the City has received \$38k more than anticipated by the state in Gas Tax Funds.

Aside from the 25% portion of Gas Tax Funds, any funding for Street Department capital comes out of the General Fund, in direct competition with police, fire, facilities, and parks. The City has been successful in the past getting federal grants to replace the street sweeper due to our air quality attainment zone requirements.

24-25 FY Staffing Requests: Police Department – 1 FTE- Patrol Officer. Funding will come from the Resort Tax Funding as well as adjusting Police Chief wages to 2,080 hours instead of the 2,184 approved in 2022. The Council approved the adjustment as the Chief (and Lieutenant) at that time as they were working actual shifts and routinely exceeding 90 hours each pay period. The police department has returned to the two-sergeant hierarchy and has eliminated the Lieutenant position. Currently, the department has two detective positions but one is on TTD. Filling one additional Patrol Officer position ensures adequate coverage for training, vacations, and allows our patrolman to work STEP or Stonegarden shifts. Additionally, this allows the City to fulfill the School Resource position as noted as a priority by the Public Safety Committee. This position maintains the level of service needed for the size of our community. Staff is asking for Council approval to fill this position as of July 1, 2024.

Finance/Administration – 1 FTE. City staff are still defining the actual position required. City staff has worked with less staff since the 2008-09 recession. The City Finance Department has had staff turnover and has been in a continuous training cycle for the last year. City staff will return with a final recommendation during the budget approval process.

24-25 FY Property Tax: Property Tax Relief based on collections through June 14, 2024 - \$332,982.95 (27.68 mills). Last year's relief was \$847,925, (70.49 mills). 15-10-420, MCA max mills at same taxable valuation would calculate to 135.13 less Tax Relief 27.68 = 107.45 mills compared to last year's 62.46 mills, an increase of 44.99. Nicosia reported that with the approval of the Study Commission, the City will levy the \$55,000 permissive levy, 4.57 mills as the

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current rate. The Council could look at splitting the levy over the 2-year period that the Study Commission would be performing their duties or levy in the 24-25 FY.

State law required the Council to specifically hold a hearing on the Permissive Medical Levy, noting any increase. Nicosia noted that the actual Permissive Medical Levy mills cannot be calculated until the certified value is received in August. Last year, the Council approved the Emergency Disaster, 2 mills per statute and may not need any additional levy in 24-25 if the 2-mill amount is on hand.

Nicosia requested council approval on moving forward with the additional Patrol Office effective July 1, 2024. Councilor Lovering motioned to approve adding an additional Patrol Officer effective July 1, 2024, seconded by Councilor Shepard and the motion carried. Mayor Barnhart noted the importance and priority of the School Resource Officer position.

Mayor Barnhart opened the public hearing. The hearing will remain open until September as the Council moves through the budget process to Final Budget Adoption.

UNFINISHED BUSINESS:

Approval of HME Pumper/Rescue Purchase Agreement and Authorize City Manager to Execute

City Manager Nicosia said in January, the City and Rural Fire District voted to take advantage of a Sourcewell contract providing for a 19% cost savings in addition to a cash price savings offered by the vendor.

The City and the Rural District have an inter-local agreement whereby the share in the cost of the purchase of any joint-use apparatus using the formula based on call count and taxable value in city and in Rural. Rural share will be 63% of purchase \$487,530, and the City share 38% of purchase \$297,470.

Staff recommends approval of the purchase of the apparatus, \$785,000, City share \$297,470 and Rural share \$487,530.

Councilor King motioned to approve the HME Pumper/Rescue Purchase Agreement and Authorize the City Manager to execute, seconded by Councilor Lovering with Council voting as follows. Ayes: Shepard, King, Lovering, Price, Robinson, and Barnhart.

NEW BUSINESS:

Approval of Garnier Heights Subdivision - 2-Year Preliminary Plat Extension Request to July 6, 2026

City Manager Nicosia said pursuant to state and city subdivision regulations, the developer may ask for a two-year preliminary plat extension. Staff recommends approval of the requested two-year extension as allowed in the city code and state law.

Councilor Lovering motioned to approve the two-year Preliminary Plat extension to Garnier Heights Subdivision to July 6, 2026, seconded by Councilor Robinson and the motion carried.

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Appointment of Acting City Manager and City Manager Applicant Review Committee

City Manager Nicosia recommended the City Council appoint Police Chief Clint Peters as Acting City Manager effective July 1, 2024. Chief Peters will perform the majority of the city manager's duties and will ensure that citizen complaints and concerns are addressed in a timely manner and the city maintains the established working operations.

Councilor Shepard motioned to appoint Police Chief Peters as Acting City Manager effective July 1, 2024, seconded by Councilor King and the motion carried unanimously.

City Manager Nicosia also reported that the second round of city manager applications have been received and a very preliminary vetting has been completed. Deputy City Attorney Breck has not yet completed a review of the current applicants. Attorney Breck is recommending that the city council appoint a committee that will meet with her to complete a thorough review of the applicants before forwarding recommendations to the full council for interview selection. I concur with Attorney Stephanie Breck's recommendation said Nicosia. Deputy City Attorney Breck, participating by zoom, indicated that Manager Nicosia's report was accurate. Council appointed Mayor Barnhart, Councilor Robinson and Councilor King to meet with Deputy City Attorney Breck to review applications.

ORDINANCES / RESOLUTIONS:

Resolution No. 1920 - Heritage Days 2024

Councilor Robinson motioned to approve Resolution # 1920, seconded by Councilor King with council voting as follows. Ayes: King, Lovering, Price, Robinson, Shepard, and Barnhart.

Resolution No. 1921- Amending 2024 FY Budgets for the HME Pumper/Rescue Purchase

Councilor Shepard motion to approve Resolution # 1921 amending 2024 FY Budgets for the HME pumper/rescue purchase, seconded by Councilor King with council voting as follows. Ayes: Lovering, Price, Robinson, Shepard, King, and Barnhart.

Resolution No. 1922 - Authorizing Loan from Cedar Creek Trust for Purchase of Fire Apparatus

Councilor Shepard made motion to approve Resolution # 1922 authorizing a loan from Cedar Creek Trust for purchase of the fire apparatus, seconded by Councilor Lovering with council voting as follows. Ayes: Price, Robinson, Shepard, King, Lovering and Barnhart.

Resolution No. 1923 - 2024-2025 FY Salaries and Wages (City Officials and Non-Union Employees)

Councilor Lovering motioned to approve Resolution # 2023 approving 2024-25 FY salaries and wages for City Officials and Non-Union employees, seconded by Councilor Robinson with council voting as follows. Ayes: Robinson, Shepard, King, Lovering, Price and Barnhart.

REPORTS / BUSINESS FROM MAYOR & COUNCIL

Councilor Lovering inquired about the concern earlier about the Planning Board meetings on the city website. City Manager Nicosia said the June calendar clearly showed that the Planning Board was canceled due to no applications coming forward. The City Planning Commission did not have any applications or business to come before them to hold a meeting. The City Planning Commission derives their authority from resolution as there is a process. The city was just awarded the grant for the housing study and there will be a work plan to work on the Growth Policy. The City Planning Commission will hold workshops when there is business to come forward.

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Nicosia said today the county sent over their revised language which will be on the July 1st council agenda. The Planning Commission assumes the functions of the Planning Board and the Board of Adjustment which will be by resolution on the next council agenda.

Councilor Lovering asked if the Planning Board approved Garnier Heights Subdivision does it now goes to the county. Nicosia replied the developer is asking for city services and that would fall within the City Planning Commission.

Lovering gave admiration to the city crews for their quick response to the water and tree issue on 6th St. E. She said neighbors were telling her they were appreciative for getting notice of what was going on. Lovering said if you live in the city and you don't have the waterline protection insurance, you should consider it.

Lovering congratulated City Manager Nicosia on her retirement and thanked her for all she has done for the city.

Councilor Shepard said he has noticed young boys on minibikes going at a high rate of speed with no helmets. Chief Peters said there is a strange law in Montana on E-bikes that has not been addressed. They are considered bicycles, even though they have the ability to go faster than a bicycle. The Police Officers can stop and talk to them, but that's about it said Peters.

Shepard asked if there have been any more reports of lions in town. Nicosia replied no.

Councilor Robinson asked how many City Manager applications had been received. Nicosia replied she was not sure of the exact amount. Robinson asked if the city has hired a new Public Works Director. Nicosia replied the city is actively recruiting. Robinson inquired about using a temp agency. Nicosia said they are running short as well and are fairly pricey.

Councilor King asked why the pool wasn't open yesterday. Nicosia replied it was too cold; there is a policy if there are less than 10 patrons we do not open.

Councilor Price asked Chief Peters if an E-bike is on the road do they still have to abide by the speed limit. Chief Peters replied no it is considered a bicycle. Price said she has noticed E-bikes on the Talbot bike path going very fast and asked if we can put signs. Peters said it would be up to the council to place signs on the bike path.

Mayor Barnhart asked why the falls weren't turned on. Nicosia said staff has ordered parts and once received they will be turned on. Mayor Barnhart also stated a patron could not find the swimming signup lesson signup information. Nicosia noted that it is posted on the website and at the pool. The Mayor also asked when the City is going to advertise for the Police Chief position. Nicosia said the staff has the ad drafted and will run it soon.

Mayor Barnhart asked how the city did with the traffic study of the high school neighborhood. Chief Peters said he and Sergeant Rice evaluated the area and are recommending adding new stop signs. Peters presented the council with a map of the evaluated area and where stop signs would be positioned. This will be an expensive undertaking but could be prioritized and done in sections.

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Mayor Barnhart noted that the city will have cake and ice cream in the council chambers for a retirement party for City Manager Nicosia on the 26th.

Mayor Barnhart also asked about pavement on streets that have been broken up during the sidewalk installation. Nicosia said she would speak to the engineer and contractor.

CITY MANAGER REPORT

City Manager Nicosia updated Council on the 6th St E Service Line Repair, noting that the water service line has been repaired and the city was working with the contractor to remove the remaining dangerous trees damaged when the hillside slumped. Nicosia noted the heroic efforts of all the city crew and contractors, particularly JD Thinning, which were called to duty last Tuesday morning. There was a service line water leak that saturated the sandy soils in the steep bank downhill. The service line was 100+feet farther to the east than noted on the asset system. The city had an excellent response. The service line is fixed now and the main was not leaking. The contractor removed 9 trees that night that were precariously positioned that would cause extensive damage to houses or structures down on 2nd Ave E. The City evacuated houses as quickly as possible. The City hopes to have soil testing results by the next council meeting. Mayor Barnhart asked if the city should look at buying some right of way from those folks to get the road right of way. Nicosia said there is 60 feet of right of way and the road is not above or in danger from the soil slump below. Lovering said the property owner put the fence post on the property line to slow people down.

Nicosia noted that in 2018, the City approved Riverwood SID #38 and the City had requested loan proposals from the local banks with Glacier Bank providing the most favorable terms. The SID was set up with equal principal payments over the 20-year term but the bank, after requiring bond council, set up the 20-year payments on equal payments, resulting in additional interest expense that cannot be charged to the SID property owners. The City has made payments to Glacier Bank since 2018, adding the additional principal payments received from the SID. However, the bank is penalizing the city and charges additional interest even when the payments are made early. The Finance Director is asking Council to consider utilizing an internal loan from the Cedar Creek Trust so Glacier Bank can be paid off and the City can make the payments in the same manner as assessed, ensuring timely and accurate payments without additional interest charges. Based on the payment schedule, the City will pay Glacier Bank the June 2024 payment and there will be an approximate \$228,000 balance for the remaining 13-year special improvement district. Nicosia concurs with the request and the Council can approve the internal loan by resolution at the July 1st council meeting. The council concurred with the recommendation to pay off Glacier Bank and borrow the funds internally. Nicosia will prepare the resolution for the July 1st meeting.

June 30th Claims will be processed and may include an extra claims run, both claims batches would be noted on the July 1st agenda.

Nicosia reported on potential TIF legislation and advised the council to keep watch on the bills as they are not favorable to the City. Nicosia noted that the City's TIF project, the Sidewalk/Parking Improvements project is going well, and the funds are being used in compliance with the Urban Renewal District plan adopted by the council 8 years ago.

Nicosia noted that the ground is being prepped at Kreck Riverside Park for the agreed upon fence installation and the City will add the required no trespassing signage.

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Nicosia noted that It has been an extreme honor to work for council and the city but needs to spend more time with family. She assured Council she will assist in any way with the transition to a new manager and ensuring efficient operations.

Councilor Robinson asked if the council has contracted for needed services. Nicosia noted that the council has not entered into a formal verbal or written contract, but the council can contract with any qualified consultant for needed services such as financial, budgetary or grant administration. Nicosia has a CPA LLC and will be working in the governmental sector, just not on a full-time basis.

Police Chief Peters thanked the council for the vote of confidence and putting him in as the acting City Manager.

CITY ATTORNEY REPORT

City Attorney Breck said he deeply regrets not sitting next to Manager Nicosia for her last meeting. He cannot imagine working with anyone else. Justin noted that he has learned a tremendous amount from Nicosia.

MISCELLANEOUS

Police Department - May Activity

Fire Department - May Activity

Correspondence

ADJOURN

Mayor

City Clerk