

**CITY OF COLUMBIA FALLS  
MINUTES OF THE REGULAR MEETING  
HELD JANUARY 21, 2020**

**Regular Meeting - Transact Routine Business**

Mayor Barnhart called the meeting to order at 7:00 p.m. with roll call as follows:

PRESENT: Mayor Barnhart  
COUNCIL: Karper, Shepard, Fisher, Lovering, Piper and Robinson  
ABSENT: None

**ROLL CALL**

Also present were City Manager Nicosia, City Clerk Staland, City Attorney Breck, Police Chief Peters, Fire Chief Hagen and Public Works Director Bradshaw.

Pledge of Allegiance

**PLEDGE**

**APPROVAL OF AGENDA:**

Mayor Barnhart requested a motion to approve the agenda. Councilor Robinson moved to approve the agenda, second by Councilman Piper, and the motion carried unanimously.

**AGENDA  
APPROVAL**

**CONSENT AGENDA:**

Councilor Lovering moved to approve the consent agenda noting that all claims appeared to be in order, second by Councilman Karper. Motion carried with Council voting as follows: YES: Karper, Shepard, Fisher, Lovering, Piper, Robinson and Barnhart NOES: None. ABSENT: None.

**CONSENT  
AGENDA  
APPROVAL**

- A. Approval of Claims - \$74,892.53 - January 21, 2020
- B. Approval of Payroll Claims - \$111,022.95 - January 10, 2020
- C. Approval of Regular Meeting Minutes - January 6, 2020
- D. Approval of Change Order # 1, Downing Underground, Lift Station #2 Improvements and authorize City Manager to sign.
- E. Adopt updated Job Description - Deputy Clerk - Cashier/Accounts Payable

**APPOINTMENTS/OATH OF OFFICE**

A. Fire Chief - Karl Weeks

City Manager Nicosia said Mr. Weeks was selected for appointment following a rigorous interview process including an extensive background and reference checks. Nicosia noted that Mr. Weeks is currently a Captain with the City of Columbia Falls Fire Department, a position he has held since 2007. Mr. Weeks has been a volunteer with the Fire Department for 19 years. He obtained his Fire Inspector License through the International Code Council in August 2019 and has held an Emergency Medical Technician Basic License for many years. Weeks has recently completed an extensive Leadership Training series

**APPOINTMENTS-  
Fire Chief: Karl  
Weeks**

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through the International Association of Fire Chiefs and FEMA. City Manager Nicosia recommended Council approval of the appointment of Karl Weeks as Fire Chief.

Councilor Lovering motioned to approve the appointment of Karl Weeks as Columbia Falls Fire Chief, second by Councilor Robinson and the motion passed unanimously. City Clerk Staalnd administered the oath of office to Mr. Weeks.

**PUBLIC HEARINGS/NOTICE OF PUBLIC HEARINGS:**

A. Mayor Barnhart continued the public hearing that began on January 6, 2020 for the purpose of obtaining public comment to determine the greatest community development needs (public facilities, economic development, and housing needs). Mayor Barnhart noted the intent of the needs assessment process is to provide the City with a list of potential projects or actions in the areas of housing, economic development and public infrastructure that could be pursued over a period of years in order to improve the community, particularly as those needs affect low and moderate income persons. Based on the results of the needs assessment, the City may apply for state or federal funding from the Montana Community Development Block Grant (CDBG) Program and other funding sources to deal with local housing, public facilities, or other community needs and would like comments or suggestions from local citizens regarding the City's needs and types of projects which should be considered.

**PUBLIC  
HEARINGS-  
Community  
Development  
Needs**

Mayor Barnhart continued the public hearing at 7:09 p.m.

Kaye Ellis, 47 Crescent Dr. said there is a need for accessible sidewalks by Glacier Gateway School and the adjoining neighborhood.

Kelly Hamilton, 1316 4<sup>th</sup> Ave W. agreed with Ms. Ellis for the need of sidewalks throughout town.

Mayor Barnhart closed the Public Hearing at 7:11 p.m.

B. Mayor Barnhart read the published notice: Notice Is Hereby Given, that the City Council of the City of Columbia Falls, Montana, will hold a public hearing on Tuesday, January 21, 2020 at 7:00 p.m. in the Columbia Falls City Hall, 130 6<sup>th</sup> Street West, Columbia Falls, Montana, to receive comments on the proposed resort tax funding option.

**PUBLIC  
HEARING-Resort  
Tax Proposal**

Mayor Barnhart asked for City Manager Nicosia to present the staff report on the proposed resort tax.

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City Manager Nicosia gave a presentation on the Proposed Resort Tax, beginning with the Council's discussions in 2018 on funding alternatives to adequately fund increased public safety needs as required by call volume and current staffing. In November 2018, the Council asked the MT Department of Commerce (DOC) to determine if the City was eligible to ask voters to approve a resort tax. In May 2019, the MT DOC designated Columbia Falls as a resort community, making it eligible for a resort tax. Nicosia shared the voted levy and resort tax alternatives and the effect of each alternative on the taxpayers. Nicosia also reviewed how the property tax relief/rebate works for City property tax payers. Nicosia then reviewed the proposed funding formula and draft ordinance language, noting the strict statutory language that governs the resort tax.

Mayor Barnhart advised the audience that he would entertain questions from the audience about the proposal before opening the hearing for public comment. Ms. Ellis asked for clarification on the tax relief/rebate and if there was relief for renters. Mayor Barnhart explained the tax rebate as provided for in statute, noting that the funds directly reduce the City property tax billing which does not provide a direct rebate to renters as they are not property owners; but he noted that they will receive Police and Fire protection along with public infrastructure. Councilor Karper said basically if you pay property tax you will get a tax rebate. Ms. Ellis asked if the 3% is capped for the 20 years. Mayor Barnhart said 3% is the maximum in state law and in order to change it would have to go before the voters.

Andrea Getts inquired if the mail ordering or catalog sales would be taxed, such as purchases made from Amazon. Nicosia replied the sale would have to originate here in Columbia Falls. Tim Secord asked who gets to vote on the Resort Tax. Mayor Barnhart said the registered voters of the City of Columbia Falls. An audience member asked about taxing coffee and waterslides. Mayor Barnhart said the waterslides are not in the city limits and coffee stands would be considered for immediate consummation. Clarence Taber asked if the City is giving the city property tax payers some relief, according to the newspaper, what do the out of town residents receive. Mayor Barnhart said you would receive increased public safety services in your area. Karper said the tax relief is for people that pay city taxes.

There was a question from Derek Larson on the bowling alley and concerts. Nicosia said concerts are taxed separately from the bowling alley, noting the intent is not to tax live music at the bowling alley or bars. Tanya Friske asked how the 3% would be reported to the city and how someone would know that the business paid the tax it collected. Mayor Barnhart said the revenues and collections would be reported to the city on a quarterly basis and those reports would be subject to an individual audit. Barnhart noted there is also a penalty for not paying correctly. Friske asked who performs the audit and what

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would the cost be to the tax payers. Nicosia said there is a 1% administration fee which includes software and audits. The city has two CPA's on staff that will perform the audits and it can be audited by the City's external auditor as part of the City's annual financial and compliance audit. John Cheff said what happens if we hit another recession and we have paid staff, how will we pay for them. Mayor Barnhart said the resort tax collections would be subject to the available funding and set percentages by activity; he said the council would have to set budgetary priorities based on available funding. A gentleman from the audience said he has a business and asked if it will have to be taxed. Mayor Barnhart said it is based on the type of business and service provided, noting that most services are exempt. A citizen asked if it is possible to exclude residents from paying the resort tax. Councilor Fisher said state statute does not provide for an exemption. The resident asked is it possible to be in effect only during the tourism season. Fisher said it is possible to be seasonal but the business owners we spoke with did not want to turn the tax off and on. A member asked what the maximum population is to be eligible for the resort tax. Mayor Barnhart said it is 5,500 in the statute. Brian Domphe said the state has repeatedly tried to pass a state sales tax law, should that happen will the resort tax stay in place. Nicosia said the sales tax proposal considered by the legislature provided for the continuation of any existing resort tax, noting that the bill did not make it out of committee. A member of the audience asked when we become a second class city, does the state mandate public safety. Nicosia replied that as Columbia Falls moves toward the second class city designation, the City transitions to a part-paid Fire Department, adding that even more important than the move to a second class city from a third class city, is the call volume and the lack of volunteer firemen available during the day due to their jobs. The citizen asked what keeps the City from coming in later and adding a levy? Mayor Barnhart said it would be up to the voters. Questions continued on what can be excluded and what must be taxed.

Mayor Barnhart opened the public hearing 8:11 p.m. reporting that Council received written testimony from Karen (Davall) Huston in favor of the resort tax proposal.

Clarence Taber, Columbia Heights resident, said the tax is intended to capture the tourist through town. He opposes the 25% to the tax payer and believes it should be set at the 5% minimum in state law. Mr. Taber said he is paying the same amount of resort tax with no property tax relief and would like to see it fair for everybody. Mr. Taber opposes the resort tax.

Kaye Ellis 47 Crescent Dr. asked if there has been a study completed on the tourism dollars. Ms. Ellis feels bad for the renters, doesn't think it is fair to

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single moms and she believes it will hurt tips; it is a sales tax and not a resort tax. Kaye recommended a toll booth on the road instead.

Seth Hanson, 1384 15<sup>th</sup> St. EN, outside City limits, said he has a business close to town. Mr. Hanson can't believe the City would include vehicles as a luxury, he is looking at a \$27,000 pickup at Joes' Auto and he would pay a lot more with the tax, it would cause him to go down the road to purchase a vehicle. Hanson shared his other objections including the 25% is not a good enough rebate. He said there are people from Whitefish that come here because we don't have a tax. He is not in favor of the tax.

A person who said he is involved in Montanans' for a Better Government said a sales tax is a hidden tax.

Carla Fisher, 303 3<sup>rd</sup> Ave East, thanked the Council and the Committee for the time they put into reviewing and preparing the proposal. She supports the tax as a way to use dollars from the tourists to pay for the services they impact.

Andrea Getts, 336 2<sup>nd</sup> St East, said after looking at what is exempt she is cautiously in favor of the tax. She said there are only four communities that do a seasonal tax. She noted that Columbia Falls is approaching the max population size to qualify for the resort community designation. Getts thought a seasonal tax would be a good middle ground. She said that Polson and Seeley Lake have tried to pass this and it has failed. If the City could beef up the tennis courts this would be a good tax to support.

Kelly Hamilton, 1316 4<sup>th</sup> Ave W., noted that our businesses support our volunteers and donate to multiple events as a close knit community. Ms. Hamilton said she was disgusted by the comment that people won't support local businesses that support our community if the tax is in place. She supports the tax proposal.

Judy Territo, owner of commercial property, said she pays \$4,300 for property taxes and also has a similar commercial property in Whitefish that she pays \$8,400 in property taxes with only a \$550 rebate from the resort tax. Ms. Territo said she is not in favor of the resort tax and thinks the City isn't ready for the resort tax and should find other ways to fund services.

Brian Domp, 22 Diane Rd. is against the tax, noting that he works for the school district and Columbia Falls is the industrial center of the valley and the City should invest in manufacturing industry to provide jobs, tourism brings drugs and garbage to the community. Relying on tourists to fund city emergency personnel is wrong in his opinion.

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David Baltz, 1848 Riverwood Dr., appreciates funding emergency services but he would like to see a 6 month tax.

Cindy Ritter, 615 Nucleus, said initially she was upset in the beginning but through the meetings she attended, she could see the care the committee had to least impact the citizens. She said the tax will impact her business but she also wants the emergency services to help her. She asked people to take a broader perspective and to be open minded. If the community doesn't approve the resort tax, property taxes will increase as that is the other funding alternative. Ms. Ritter supports the tax.

Laurie Lapan, 1000 Kelley Rd, said she can't vote but will not change her eating habits because of a resort tax. She believes the tourists should pay but the property tax relief is higher than the statutory minimum, and doesn't think there should be any special deals on water, sewer or tax rebates for developers.

Dave Petersen, 201 4<sup>th</sup> Ave E., a volunteer committee member, noted that one of the criticisms he has is that the estimated collection amount is too low, he believes it will be \$700,000, or \$12 million over the 20 years. If it does not pass and the needs are still there does the City have a smaller fire department that takes twice as long to respond to a call? The Whitefish budget is considerably higher than here. Petersen said as a property tax payer he believes any relief is good and supports the least painful tax.

Mayor Barnhart closed the public hearing at 8:46 p.m. and Council took a short recess.

Mayor Barnhart called the meeting back in session at 8:58 p.m.

**UNFINISHED BUSINESS:**

Tax Increment and Targeted Economic Development Priorities  
City Manager Nicosia presented a recommendation to Council for setting the 2020 FY priorities and budgets, based on public testimony and available resources. Council reviewed the report and Councilman Fisher motioned to approve it as written, second by Councilman Shepard with council voting in favor of the motion. Nicosia noted that the Council will adopt a resolution formally setting the Fund 2310 and 2311 budgets at the next meeting. Councilor Shepard asked if there was other funding for 12<sup>th</sup> road reconstruction. Nicosia said there is very limited funding but if the timing is right, the City will pursue EDA grant funds to leverage the available funding.

**UNFINISHED  
BUSINESS**

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**MAYOR AND COUNCIL COMMENTS:**

Councilman Shepard asked if MDOT is going to remove the snow berm from the middle of Nucleus.

Councilor Lovering asked if the pedestrian lighting would be dark skies compliant. She also wanted to know how we encourage people to shovel the entire sidewalk.

Councilman Fisher said he has addressed the shoveling issue with neighboring businesses by just talking to them.

Mayor Barnhart said people were struggling to walk on the Hwy 2 sidewalks; the state had their grader on site but drove it away without clearing the snow. He also reported that he spoke with an elderly lady who uses a walker and she is not able to get to the river at River's Edge Park. Mayor Barnhart said he would like the city administration to look at the trails. Bradshaw said there will be paved walking paths to the pond per the Park Master Plan; he is proposing that section be done with the current RTP grant application. Mayor Barnhart noted that continuing to fix and replace sidewalks is needed.

**MAYOR AND  
COUNCIL  
COMMENTS**

**CITY MANAGER:**

Nicosia reported that the City does not have any surplus property to report for sale or disposal this quarter. Nicosia noted that the city code had been updated for compliance with the statute change and the city now reports quarterly.

The 911 Funding Committee will become the 911 Educational Committee for the proposed funding ballot issue. Nicosia and Shepard agreed to be on the education committee for Columbia Falls.

The City received notice on the Special Gas Tax 2020 allocation - \$108,069.80 and we match 5%, up from \$73,760.48 last year.

Nicosia reported that Councilman Fisher wishes to withdraw from the Tree Board. Councilor Robinson said she would sit on the Board.

**CITY MANAGER  
REPORT**

**OTHER REPORTS:**

Chief Peters reported that the Tip411 rolled out and is going well and has been a successful tool. Chief Peters reported that he is now the City Board representative on the Columbia Falls Chamber of Commerce; Nicosia thanked him for filling that role. Peters said he is on the Events Committee and he believes that will result in smoother planning and coordination with City services.

**OTHER REPORTS**

**INFORMATIONAL CORRESPONDENCE** - List available for Review

**A. REPORTS:**

a. Finance - December

b. Police Department - December Activity

**CORRESPONDENCE  
/REPORTS**

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**ADJOURN**: Upon motion duly made by Councilor Lovering and seconded by **ADJOURN**  
Councilman Karper, the meeting adjourned at 9:32 p.m.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED BY COUNCIL ACTION: February 3, 2020