

COMMITTEE OF THE WHOLE

SEPTEMBER 18, 2023

6:00 PM

1. Presentation on the Tax Increment Finance and Targeted Economic District by Snowy Mountain Development Corporation and Tax Increment Finance and Targeted Economic District Board Members

NOTICE FOR, AND AGENDA FOR, A MEETING OF THE CITY COMMISSION, CITY OF LEWISTOWN, SEPTEMBER 18, 2023 AT 7:00 P.M. AT THE CENTRAL MONTANA COMMUNITY CENTER LOCATED AT 307 W WATSON

To participate virtually the options are as follows:

To join by zoom: <https://zoom.us/j/8486275925?pwd=dTVGbndDK253ZUJLMjRuZXU5QVpMdz09>

Meeting ID: 848 627 5925 Passcode: 59457

To participate by phone: dial (253) 215-8782 Meeting ID: 848 627 5925 Passcode: 59457

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF MINUTES – September 5, 2023

COURTESIES

PROCLAMATIONS

BOARD AND COMMISSION REPORTS

CITY MANAGER REPORT

PUBLIC COMMENT – non agenda items

CONSENT AGENDA

Acknowledgment of the claims that have been paid from September 1, 2023 to September 14, 2023 for a total of \$1,526,753.68

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

1. Discussion and action on approving the administrative agreement with Snowy Mountain Development Corporation for the management of the Tax Increment Financing and Targeted Economic Development Districts (**Action: approve, disapprove or amend the administrative agreement**) City Manager Holly Phelps
2. Discussion and action on approving the addition of a revolving loan fund option as part of the Tax Increment Financing District (**Action: approve, disapprove or amend the addition of a revolving loan fund**) City Manager Holly Phelps
3. Discussion and action on approving the revolving loan fund policies and procedures for the Tax Increment Financing District (**Action: approve, disapprove or amend the revolving loan fund policies and procedures**) City Manager Holly Phelps
4. Discussion and action on appointing Megan Bartel to the Tax Increment Finance/Targeted Economic District Board (**Action: approve, disapprove or amend appoint Megan Bartel to the TIF/TEDD Board**) City Manager Holly Phelps
5. Discussion and action on approving the invoice from JR Civil for an emergency sewer line repair (**Action: approve, disapprove or amend the invoice from JR Civil for emergency sewer line repair**) City Manager Holly Phelps
6. Discussion and action approving the 2023-2026 Police Department bargaining agreement (**Action: approve, disapprove or amend the 2023-2026 bargaining agreement**) City Manager Holly Phelps

7. Discussion and action on first reading on Ordinance No. 1771, an ordinance amending Title 10, Chapter 5, Section 2(D); Title 10, Chapter 5, Section 3(C); and Title 10, Chapter 6 Section 5(B) of the Lewistown City Code to allow fees and fines be set by resolution (**Action: approve, disapprove or amend first reading of Ordinance No 1771**) City Manager Holly Phelps

CITIZEN'S REQUESTS

COMMISSION'S REQUEST

ADJOURNMENT

*All citizens are invited to make comment on any agenda item prior to action being taken by the Commission

AGREEMENT

THIS AGREEMENT, made and entered into this 18th day of September, 2023, between Snowy Mountain Development Corporation with offices at 507 W Main St, hereinafter referred to as "SMDC" and the City of Lewistown Tax Increment Finance District (TIF) and Lewistown Targeted Economic Development District (TEDD), hereinafter referred to as "Lewistown TIF District & Lewistown TED District".

WITNESSETH

Recitals:

WHEREAS, SMDC, in order to actively pursue the administration and marketing of the Lewistown TIF District and Lewistown TED District requires some funding assistance from the Lewistown TIF District & Lewistown TED District, to supplement the funds of SMDC dedicated to the effort;

WHEREAS, SMDC administers several loan funds and has an established process of evaluating loan applications and the Lewistown TIF District has a revolving loan fund to assist business within the district; SMDC will administer, evaluate and process the Lewistown TIF District revolving loan fund applications;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, the parties hereby agree to the following:

1. TERM.

This agreement shall, upon signing and approval, be made effective on the date of signing. It is the non-binding intention of both SMDC and Lewistown Tax Increment District and Lewistown TED District to continue their financial relationship as outlined in this Agreement beyond the specific term of this contract, should the respective activities be continuing and viewed as fruitful by both parties.

2. FUNDING.

In consideration of the timely performance by SMDC of its obligations under this Agreement toward the shared and mutual goals of the Lewistown TIF District and Lewistown TED District and SMDC, the City of Lewistown agrees to pay SMDC at a base level of seven thousand dollars (\$7000) annually, payable on or before January 1st of each calendar year. Invoiceable administrative activities, in compliance with MCA 7.15.42 *et.seq*, include:

Meeting facilitation and logistics,

Scheduling and board communication,

District marketing and outreach,

Reporting, record keeping and management,

Business technical assistance and support for application process,

Advocacy and support for the TIF/TED tool,

Application intake & review,

Relationship management, and

Information and support for accounting and auditing firms as directed by the city.

In consideration of the Lewistown TIF District Revolving Loan Fund (RLF), the City of Lewistown agrees to pay SMDC at a rate of fifty-five (\$55)/hr and will be invoiced separately. Invoiceable lending functions include:

Evaluating borrower's credit worthiness, capacity, collateral, and loan conditions,
Advising,
Recommending funding levels to the advisory council,
Loan Packaging,
Underwriting, and
Loan Servicing.

3. ACCOUNTABILITY & TRANSPERANCY

SMDC shall report all activities to the Lewistown TIF District & Lewistown TED District advisory board, the City of Lewistown's appointed board that reports to the Lewistown City Commission. This board recommends grant and loan approvals to the Lewistown City Commission.

4. ENTIRE AGREEMENT

This Agreement, signed by both parties, constitutes a final written expression of all the terms of the Agreement and is a complete and exclusive statement of those terms.

5. MODIFICATION AND ENFORCEMENT

Insofar as is legally permissible, the provisions of this Agreement may not be modified by any court or by the parties unless in writing and executed by both parties with the same formality of this Agreement. Failure of either party to insist upon the strict performance of any of the provisions of this Agreement shall not be construed as a waiver of any subsequent default of the same or similar provisions.

6. CHOICE OF LAW

This agreement has been made and executed in the State of Montana and shall therefore be construed and governed in accordance with the laws of the State of Montana.

7. ATTORNEY FEES

In any action brought by either party to enforce any provision of this Agreement, the prevailing party shall be entitled to recover from the other party a reasonable attorney's fee to be fixed and determined by the court.

8. LEGAL CONSIDERATIONS

SMDC shall comply with all State laws applicable to the work and goals to be achieved under this Agreement.

9. SEVERABILITY

The invalidity, in whole or in part, of any term of this Agreement does not affect the validity of the remainder of the Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands on the day and year first written.

City of Lewistown

Attest:

Snowy Mountain Development

Attest:

CITY OF LEWISTOWN TAX INCREMENT FINANCING DISTRICT REVOLVING LOAN FUND POLICIES AND PROCEDURES

The City of Lewistown's Tax Increment Financing District (TIF) Revolving Loan Fund program guidelines are as follows:

The TIF Committee will have responsibility for the Loan Programs, although authority for loan approvals will be with the City of Lewistown (City).

The administrator of the loan program shall be Snowy Mountain Development Corporation (SMDC) and will be a contracted service. The SMDC Loan Officer will be responsible for assisting with the loan application process, setting up amortization schedules, preparing loan documents and security instruments. Additional technical assistance shall be coordinated as needed for the applicants and borrowers.

SMDC will perform accounting and collection tasks for the loan programs. Duties will include making deposits and printing checks for disbursements, collecting and receipting payments, submitting status reports, sending delinquency notices and reconciling drawdowns and accounts.

Loan Review

The loan review process will consist of:

- client interviews
- technical assistance provided as required
- credit reports and credit checks being performed
- all required documentation received, verified and analyzed
- underwriting loans and making recommendation to Committee

The submitted information will be compiled and analyzed by the TIF Committee. The TIF Committee will make the final decision to recommend to the City to make the loan or not. Details, provisions, restrictions and covenants will be included with the final decision. The SMDC Loan Officer will be responsible for preparing loan documents and security instruments, providing technical assistance to the borrowers, and administering the loan portfolio. The loan officer will monitor the files.

Updates will be made to the TIF Committee on an as needed basis. Full loan reviews and loan payment history will be given to the TIF Committee on an annual basis. The TIF Committee will review and make changes to the Policies and Procedures on an annual basis.

The TIF Committee will ensure that all applications forwarded to the city are for project costs that meet one of the requirements set for in Montana Code Annotated § 7-15-4288.

Conflict of Interest

The members of the TIF Committee must disclose any personal or financial interest they may have in any application. If a conflict of interest is believed to exist, the Committee member is required to identify the conflict and to excuse himself/herself from any Committee action involving the issue that created the conflict.

Confidentiality

Major responsibility of the committee will be to protect client confidentiality. This will be achieved by adopting policies that limit access to client information to Committee members, the loan administrator (SMDC) and the SMDC Loan Officer. Application packages will be distributed to the TIF Committee in advance of meetings, and that information will be treated as confidential.

Information regarding the overall performance of the loan portfolio may be released to the public, but only in a general format. Individual loan performance will not be disclosed to the public.

Borrower Eligibility

The following business ownership forms are eligible to apply for loans. This is not an all-encompassing listing; there may be other business ownership forms not listed that are eligible to operate under state law and to apply for loan assistance under the various loan programs.

- (1) Sole proprietorship
- (2) Partnership
- (3) Corporation
- (4) Limited Liability Company

Application Requirements

The following constitutes a complete application. No applications will be processed or presented to the TIF Committee until all of the following information relevant to the application is received.

Standard Application

- Application (signed and dated)
- Comprehensive Written Business Plan
- Personal Financial Statement (signed and dated)
- Authorization to Release Information

Environmental Issues

The Project will be screened relative to environmental concerns. An Environmental Review Form will be executed by the Borrower and signed, which may include a screening for possible hazardous or toxic contamination, a “true-to-the-best-of-my-knowledge” statement, a 100-year flood plain and wetland determination, and an indemnifying/hold harmless agreement for the TIF Committee and SMDC.

The SMDC Loan Officer will assist in completing the environmental review/finding. The environmental compliance review and finding will be completed prior to submitting the request to the TIF Committee.

Discrimination

The TIF revolving loan program is subject without limitation to all civil rights laws prohibiting discrimination on the grounds of race, color, national origin, religion, sex, marital status, disability or age.

Upfront Expenses

The Borrower may be responsible for paying for the following expenses: Credit Report, Lien Search, Appraisal Fee, Title Search and/or any other costs incurred by the TIF Committee that are required to provide an accurate loan presentation to the TIF Committee. There will be a \$50 application fee and this will be applied towards origination fee if/once loan closes.

Collateral

The TIF Committee will consider the merits and potential economic benefits of each request. The term “Security” refers to collateral. To “secure” a loan will mean to protect the loan with collateral. When appropriate, liens, assignments, and guarantees will be obtained and filed with the appropriate office in accordance with the following principles:

- (a) To encourage the participation of other lenders and investors, the City’s lien position may be subordinated to liens that secure other loans made in connection with the project.
- (b) When appropriate, mortgage deeds and/or deeds of trust will be obtained and filed with the appropriate office. Title insurance may be obtained if the situation dictates.
- (d) The TIF Committee may require security in the form of assignment of patents, licenses, and other assets with a realizable value.
- (e) Personal guarantees will be required. Personal guarantees will be for any person owning any portion of a business and who is listed as a borrower. A personal financial statement is required as part of the application process.

If the collateral for the loan is jointly owned, both the parties must execute the loan agreement and loan closing documents.

Lien Searches

A complete lien search may be conducted on each potential piece of collateral.

Other Funds

Applicants for TIF RLF financing will be required to have other financing documented and committed. This financing can include all non-federal loans, bank loans, owner's equity and all other sources of funding. Adherence to this requirement will strengthen the City's position relative to loan-to-value and collateral conditions.

Late payments: A late fee will be applied for late payments. See Delinquency Policy section.

Bankruptcy: Applicants must not have declared bankruptcy within the last three years unless such bankruptcy is strictly related to a medical catastrophe or an Act of Nature occurrence beyond the applicant's control, e.g. natural disaster.

Loan Closing

A loan closing will be scheduled with the borrower after loan approval and all contingencies have been satisfied. Corporations must provide a corporate resolution authorizing the corporation to borrow loan funds and designating specific officers as signatories.

SMDC Loan Officer will prepare all closing documents. At the discretion of the Loan Officer, the documents may be prepared and/or reviewed by legal counsel. Prior to loan closing the Borrower may receive a copy of the loan closing documents for review.

The Borrower is responsible for all costs associated with the loan. Fees are to include, but are not limited to, the following items:

- Title Search and/or Title Insurance
- Recording Fees
- Document Preparation Fees

Any loan closing expenses, not paid up-front, will be collected at the time of closing. The fees can either be paid by the borrower or deducted from the loan proceeds. The Borrower will sign a Closing Statement indicating how the fees were paid.

After loan approval, all loan proceeds will be disbursed only after all other funds are expended. TIF funds will be the last used as the final funding for the project. Copies of invoices and receipts must be provided by the borrower. All loan funds will be disbursed directly to vendors.

Loan Servicing Policies

Payments

Borrowers will make all payments to SMDC in accordance with the loan agreement and promissory note executed at loan closing. SMDC will charge the borrower a fee for any loan payment returned by the Bank to

SMDC for Non-Sufficient Funds (NSF). Each loan payment shall be tracked, showing the breakdown between principal, interest and fees.

Delinquency Policy

Late fees in the amount of 5% of the payment amount or a minimum of \$25.00, will be assessed on payments received after the 10th day past the scheduled payment date.

If payment is not received after 90 days from its scheduled due date and the Borrower has failed to communicate with SMDC, a recommendation for foreclosure proceeding will be made to the TIF Committee.

Foreclosure Policies

In most instances a straight foreclosure will be viewed as the last option. There are, however, instances when foreclosure is the best option and the only remedy to a deteriorating situation. Foreclosure may only take place upon the decision of the TIF Committee and the City.

All foreclosure proceedings and actions should be done in such a way as to provide maximum protection for the loan portfolio, its participating lenders, if any, and for the interest of all affected parties.

Collateral liquidations must attempt to cover the cost of the outstanding loan principal, any accrued interest owed to SMDC, and the transaction costs of the liquidation efforts (e.g. legal, marketing, staff time).

In the event that the foreclosure proceeds do not cover the outstanding loan amounts due and the cost of the collection, a deficiency judgment will be sought. The foreclosure proceeds will be disbursed as follows:

- a. Collection costs for all parties
- b. Loan amounts due in lien priority

Loan Write-offs

The Loan Officer will make recommendations to the TIF Committee for loan write-offs. The Committee will then make recommendations to the City.

Revolving Loan Funds

- The terms of the loans should be consistent with the projected use of funds and individual project needs. Buildings improvement loans should not exceed 10 years.
- Length of loan term will be determined by each application, the useful life of the collateral and the ability of said applicant to repay while still maintaining positive cash flow. All loans will have a final due date of no longer than ten (10) years.
- The anticipated interest rate on loans will be a minimum of 0% and up to a maximum of 10%.
- The Committee will have the authority to approve special financing, such as deferrals of principal or interest payments, or both, to meet a borrower's financing needs and to leverage financing from conventional lenders. The Committee may also defer or postpone loan payments due to special circumstances or unanticipated difficulties.

- With regard to collateral, the Committee will consider the merits and potential economic benefits of each request.
- The terms of existing loans may be modified or extended to enhance the capability of the revolving loan fund to achieve the program's goals.

APPLICATION FOR LEWISTOWN BOARDS AND COMMISSIONS

PLEASE NOTE: ALL APPLICATIONS ARE INCLUDED IN COMMISSION PACKETS AND PUBLISHED ON THE CITY WEBSITE.

DATE: 08/18/2023	*APPLICATION DEADLINE:
BOARD, COMMISSION OR COMMITTEE APPLING FOR: TIF/TED	
NAME: Megan Bartel	HOME PHONE:
STREET ADDRESS: 312 Agate Dr.	BUSINESS PHONE: 406-535-1752
ZIP CODE: 59457	EMAIL ADDRESS: mbbartel@1stbmt.com
MAILING ADDRESS: same as above	IN WHICH WARD DO YOU RESIDE _____ (1-3)
ZIP CODE:	
Are you a citizen of the U.S.A.? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Are you a registered voter? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
How long immediately prior to this date have you been continuously a legal resident of the City of Lewistown? <u>12 years</u>	
How long immediately prior to this date have you been continuously a legal resident of the State of Montana? <u>33</u>	
PLEASE PROVIDE THE FOLLOWING INFORMATION (You may attach a separate sheet to this form.)	
Brief resume of your educational background. Fergus High School 1998-2002 Rocky Mountain College 2002-2003 Montana State University Bozeman - 2003-2007 (B.S. in Human Health & Development) Montana State University Bozeman - 2008-2011 (M.S. in Family Financial Planning) Pacific Coast Banking School - 2021-2023 (will graduate 09-01-23 with a Masters in Banking)	
Current Occupation: Chief Administrative Officer, SVP	Current Employer: First Bank of Montana, Division of Glacier Bank
Previous Community Service: Lewistown Area Chamber of Commerce 2014-2018, Lewistown Boys and Girls Club 2017-2020, Central Montana Community Cupboard Treasurer 2022-present, Central Montana Medical Center Advisory Board 07/22 - present, Central Montana Foundation 10/2022 - present	
PLEASE LIST TWO PERSONAL REFERENCES:	
Name: Dean Comes	Daytime Phone: 406-366-4583
Address: 224 W Main Lewistown, MT 59457	
Name: Lyle Allen	Daytime Phone: 406-366-2303
Address: 402 Agate Dr., Lewistown, MT 59457	
What is your interest in serving on this board, commission or committee? As a resident of Lewistown I take great pride in the community I live in. The TIF/TED board plays an important role in the revitalization and rehabilitation of our community and that fits closely with my passion for the Lewistown Community. It is encouraging to individuals and local businesses to see the community thrive and the TIF/TED board can assit in this process.	
Do you have special knowledge, interest or experience that would qualify you for a position on this board, commission or committee? My backround in the financial industry as well as a leadership role has provided me with exprience analyzing cash flows, reviewing budgets and managing and seeing through various projects throughout my career. In addition to this I have served on several boards and continue to hold positions that have taught my the importance of fiscal responsibility as a board member.	

*Please return you completed application to the City of Lewistown: 308 W Watson Lewistown 59457

JR Civil LLC
 Box 7295
 Sheridan, WY 82801

Invoice Date 08-31-2023	Customer ID LEWISTOWNX	Invoice ID 12312100
Draw ID 1	Work Order	Ship Date

To:
 City of Lewistown/Public Works
 305 West Watson St
 Lewistown, MT 59457

Job Location:
 Lewistown sewer line repair

Ship Via
 None

Sewer line repairs from 7/25/2023 thru
 8/12/2023

PC228 Excavator	150.00	Hrs	230.00	34,500.00
WA320 Loader	150.00	Hrs	215.00	32,250.00
T770 Skid Loader	150.00	Hrs	200.00	30,000.00
PC300 Excavator	50.00	Hrs	265.00	13,250.00
PC490 Excavator	50.00	Hrs	330.00	16,500.00
Employee per diem	1.00	Ls	17,575.86	17,575.86
Mobilization/demobilization of equipment	1.00	LS	20,168.75	20,168.75
Concrete & gravel	1.00	Ls	19,998.19	19,998.19
PCV pipe/fittings/manhole	1.00	Ls	6,963.36	6,963.36
Water line repairs	1.00	Ls	1,531.25	1,531.25
Rental MH boxes due to depth	1.00	Ls	14,805.00	14,805.00
Misc supplies/additional ladders/grout/plywood/posts & fencing/chains/binders	1.00	Ls	6,414.43	6,414.43

Amount Billed \$213,956.84

Retainage Held

Due Date: 09-30-2023 \$213,956.84

City of Lewistown and Local 1441 Lewistown Police and Dispatch
Tentative Agreements

Canine Officer (current \$200, 2-hour callout included) *Tentative Agreement*

- Tentative agreement - \$200/month, plus 2-hour callout. Side agreement and Addendum A, Canine Officer will need to be modified

Dispatch Scheduling – *Tentative Agreement*

- Dispatchers will prepare a schedule adjustment in MOU format

Wages increase – *Tentative Agreement*

- Year 1 - \$2.50 across the board
- Year 2 \$1 plus CPI (3% min, 6% max)
- Year 3 \$1 plus CPI (3% min, 6% max)

Add link for City's CPI calculation to CBA

<https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/>

Language changes:

Addendum A, - *Tentative Agreement between Union and City*

Uniform allowance/Brass: Each uniformed officer shall be paid \$600.00 per year for uniform expenses. The amount will not be paid during the first year of employment if the department pays for the initial uniform expenses at hiring. Payment for uniform allowances will be made directly to employees as a payroll expense. Payment will be made during the month of July of each fiscal year. Other uniformed employees who chose to wear approved workwear will be reimbursed as follows, Employees working over twenty hours per week shall be paid up to \$270 per fiscal year. Each part-time employee under twenty hours per week shall be paid up to \$150 per fiscal year for uniform purchases. When an employee ceases to be employed by the City of Lewistown, an amount of 20% of the allowance will be withheld from the employee's final paycheck for each full un-worked quarter of the 12 months for which the allowance was paid.

Senior Communications Officer – *Tentative Agreement*

Once a Communications Officer has worked 3 years for the City of Lewistown, they shall receive senior pay.

Eliminate Part-time Wage for Communications Officer from Matrix – *Tentative Agreement*

Communications officers hourly rate will be the same whether full or part time.

Article XVI – Job Posting, Section 1 - *Tentative Agreement*

Replace "shall also" in first sentence to "may".

Article XIV – Grievance and Arbitration - *Tentative Agreement*

Remove existing and replace with the attached document.

ORDINANCE NO. 1771

AN ORDINANCE AMENDING TITLE 10, CHAPTER 5, SECTION 2(D); TITLE 10, CHAPTER 5, SECTION 3(C); AND TITLE 10, CHAPTER 6 SECTION 5(B) OF THE LEWISTOWN CITY CODE TO ALLOW FEES AND FINES BE SET BY RESOLUTION

BE IT ORDAINED THAT Title 10, Chapter 5, Section 2(d); Title 10, Chapter 5, Section 3(c); and Title 10, Chapter 6, Section 5(b) of the City of Lewistown be, and hereby are, amended to read as follows:

10-5-2(D) is amended to read as follows:

(D) Penalty: every person found to be in violation of this section shall be punished by a fine set by resolution of the Lewistown City Commission.

10-5-3(C) is amended to read as follows:

(C) Penalty: every person found to be in violation of this section shall be punished by a fine set by resolution of the Lewistown City Commission.

10-6-5(B) is amended to read as follows:

(B) Each such police or code enforcement officer shall attach to a vehicle in violation of this section a notice to the registered owner thereof that such vehicle has been parked in violation of this chapter and instructing such registered owner to report to the police station in regard to such violation. Each such owner shall within ten (10) days of the time when such notice was attached to the vehicle pay to the City Offices the payment of fine as set by resolution of the Lewistown City Commission.

Passed and approved on the first reading, such date being the 18th day of September, 2023.

Passed and approved on second reading, such date being the 2nd day of October, 2023, and effective thirty (30) days thereafter.

KELLYANNE TERRY, Commission Chairman

ATTEST:

NIKKI BRUMMOND, City Clerk