

**\*\* Page 1\*\* A SUMMARY OF PROCEEDINGS OF THE CITY COUNCIL MEETING  
CITY OF THREE FORKS, MONTANA, JANUARY 28<sup>TH</sup>, 2025**

JANUARY 28<sup>TH</sup>, 2025, The Three Forks City Council met at the Three Forks United Methodist Church's Annex, 116 E. Cedar Street and via Zoom. (Zoom is a virtual meeting tool which the City began using due to COVID-19 and social distancing guidelines and continues to use to encourage participation from the safety of one's home.) The meeting was presided over by Mayor Johnston. Mayor Johnston called the meeting to order at 6:05 P.M.

**ROLL CALL:** City Council members George Chancellor, Gene Townsend, (Warren) Garret Buchanan, Ed Tharp, and Reagan Hooton. Roxi McDermott was excused. City Treasurer Kelly Smith and City Clerk Crystal Turner were present at the meeting, as were City Attorney Susan Swimley and Gallatin County Sheriff Sergeant Desmond Doonan.

The record reflected a quorum with the attendance of five (5) Council members and the meeting was held.

The **Pledge of Allegiance** to the American Flag was led by Mayor Johnston. Mayor Johnston reminded the audience that this meeting was audio and video recorded and may be streamed via Zoom and on our Facebook page.

**GUESTS:** Christina Cavanaugh, Gloria Howland, Rin Tilson were present at the Annex. Aly Fendler joined via Zoom.

**PUBLIC COMMENTS/CONCERNS (For items not on the agenda)**  
There were no public comments on items not on the agenda.

**CONSENT AGENDA**

Mayor Johnston read the Consent Agenda into the record as follows:

- a. City Claims to be Paid
- b. Three Forks Rodeo Arena Board Claims to be Paid
- c. Zoning & Planning Board Minutes 11/2024 and 12/2024
- d. Pledged Securities with Manhattan Bank Through 12/31/2024
- e. Task Order #17 with Great West Engineering for Wastewater System Preliminary Engineering Report (\$80,000)

There were no Council questions on any items on the consent agenda. Councilman Townsend moved to approve the Consent Agenda. Councilwoman Hooton seconded the motion. There was no public comment on the consent agenda items.

**Motion Passed Unanimously.**

**PUBLIC HEARINGS**

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**Public Hearing and Decision on a Resolution to Adopt the Impact Fee  
Advisory Committee's Recommendations for Updated Impact Fees for New  
Construction and Changes of Use**

Susan Swimley explained that there were maps which were intended to accompany the service area reports and they were not provided to the Clerk until today. "This does not meet the 48-hour notice requirement, so I have asked that you not make a decision yet, but you may discuss the Service Area Reports, and the table of the fees tonight. Changes can be suggested to the reports or the table at this time, but no final vote.

Garret Buchanan had questions regarding the sliding scale to try to encourage commercial infill as opposed to a flat fee that was decided on. He had read the discussion in Impact Fee Advisory Committee (IFAC) minutes. He reframed the questions about the square footage that defined small commercial to encourage infill as opposed to commercial in the Southeast area.

Lee Nellis first wanted to point out to the Council the amount of work the IFAC had done on this project. The IFAC created the impact fee for commercial infill as that would be the main commercial development in Three Forks but there is still opportunity for large scale commercial development within the city limits, so it needed to be accounted for also. It was decided large scale commercial development would be on a case-by-case basis, with criteria spelled out in the impact fee ordinance. The IFAC discussed the infill commercial and how the cost could prohibit a small business from building and infilling the empty lots. The IFAC decided it needed to be up to the City Council. So, the one policy question remains is if the City Council would like to reduce the impact fees for small commercial infill than the \$9.491 per square foot that the calculations came up with. This would make it easier for small businesses to come here.

Christina Cavanaugh introduced herself and spoke on behalf of the IFAC. She said the committee talked about how the fees are not paid until someone changes the use of an existing commercial building. We really considered that if a building's use was going to have a big change and impact on the existing systems, they would not pay any impact fees.

Reagan Hooton asked, is table one the first trial calculations and the reduction is table two? Lee answered yes it reflects one reduction and does the council want to reduce it more? He also informed the council they can lower any of these fees, but they are not allowed to raise them above what is on table one, as those are justified in the service area reports. Kelly stated the second table show a reduction in transportation fee for the Southeast area, not the infill commercial. Christina also factored in that we as a committee were very protective of our local small businesses. We tried to consider whether the \$9.41/square foot, or the \$5.78/square foot are both fair figures. We compared them to other local communities, and they are still less than surrounding communities. The

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IFAC wanted to make it easy to develop, but also want to address the city's services that would be impacted and needs due to growth. Kelly clarified the \$5.78 is just for transportation fees, up to a 4,000 square foot building, of the \$9.491 for the commercial infill.

Gene Townsend asked what the definition is that the city will use for a large business commercial development. Lee replied it is based on if your meter is an inch or less and your building is 4,000 square feet or less. Gene questioned a business could have a very small space but make lots of money. Lee said it is not about how much a business makes it is all about the impact to the city services and infrastructure. Gene then asked if there is a change in the use of a building can impact fees be charged. Lee replied we are clarifying that now while drafting the impact fee ordinance, and that there will also be an appeal process in the ordinance if a business has concerns. Lee said, "impact fees are fair because they are not arbitrary". Reagan asked where the fees for commercial over 4,000 square feet would be analyzed to determine what fees are fair.

Gene echoed his thanks to the IFAC committee and staff who dedicated so much of their time and nights to put this report together. It is interesting how this all came together; I am impressed with it. Garret said it was written very well for a legal document. Gene had a hard time finding fault with any of it. Garret thanked the committee because he felt the minutes reflected, they used real life examples and questions to drill down to the numbers.

Kelly broke down the \$9.49/square foot for commercial infill: .14 cents to fire, .65 cents for water, \$2.88 for sewer, \$5.78 is just for transportation, .04 cents for municipal buildings, per square foot. So, the IFAC lowered the fee from \$20 per square foot to \$9.49 per square foot.

Reagan asked what the percentage is of residential to commercial. Lee explained he was giving a report from the city's billing system, and it was used to calculate the percentage, along with discussions with staff and all ways to look at it came up close to 75% residential and 25% commercial. Reagan stated \$9.41 seems high but it is justified by a still being lower than surrounding areas. Garret stated as much as his instinct is to justify it lower for small businesses, but it is what it is. I like the fact that it has already been lowered. We want businesses to move in but also not hurt our infrastructure needs. He is not comfortable with the number, but I think it is thoughtful and a fair one.

Mayor Johnston asked if there are any changes on the tables. Ed Tharp stated it was well written. Kelly pointed out that there was also a reduction in the Southeast residential transportation is a little lower on the transportation fee as well. Lee added it is the least certain because we know the least about the timing and cost. They will need to implement

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all sorts of improvements on their own just to develop there. The other factor that enters into this is, the Southeast will be one developer's project. They have an interest in ensuring everything hooks up and connects right. You will have more opportunities to discuss those specifics with them upon annexation. Garret said it looks like with the Transportation fee, the city will be covering the cost of the studies or plans. Let's say the study is done and come to find out a massive need is needing for something, is there a way to reassess these impact fees? Lee answered yes! The law requires you to revisit impact fees a minimum of every 5 years. The ordinance will say the IFAC will revisit it every year. Crystal added that the Council did say upon adopting the Capital Improvement Plan, it wished the CIP to be reviewed annually by the Budget Committee.

Mayor Johnston stated this will all be decided at the next meeting with the resolution.

**REPORT OF OFFICERS**

City Treasurer Kelly Smith reported she had nothing to report. Kelly has been testifying HB34 for the State Resiliency Fund to become permanent. Currently the Department of Emergency Services must request funds every 2 years. They request the Legislature to allocate money in every 2-year budget. This is the fund that is providing the City's match for the flood mitigation project. The bill to make the funding permanent might not get out of committee, but we are trying to help them.

City Clerk Crystal Turner said Tyler Palmer reached out to her asking if anyone from the Council or the Mayor, or even staff, would like to teach a course on any civic topic in the School's Adult Education program. This program runs from 3/17-5/1/ 2025, either one night a week for 2 hours (6-8 pm) or 4 Tuesday nights from 6-7 pm. These teaching positions pay \$30/hour. You can structure it pretty much any way you like, and he offered as a suggestion perhaps the topic could be "community involvement".

Crystal also reported that the letter the Council asked her to draft regarding the request to the Montana Department of Transportation (MDT) to reduce the speed limit prior to its existing spot in front of Milwaukee Railroad Park (where the Farmer's Market is held). She found out the process is that you must first make a request like this to the County Commission, as they are the conduit to the State Department. Crystal sent a letter to the County Commissioners, and Commissioner Boyer emailed her back. She said they had received the City's letter, and the Commission will discuss it with the County Road Superintendent, who is Levi Ewan, on 2/3/25 and get back to us. Levi believed MDT would be able to accommodate the request without doing the full-blown traffic study.

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Crystal then reported the Legislative Session is in full swing, and HB298 will be heard by the House State Administration Committee next Thursday, 1/30/2025, at 10 am. The bill would prohibit third class cities and towns, which we are, from holding an election to allow or prohibit recreational marijuana. The Montana League of Cities and Towns has asked what third class cities would like, for them to be for or against this bill. Crystal asked "does Three Forks think it will ever put recreational marijuana on the ballot for Three Forks voters to vote on this issue? Three Forks did not put this on the ballot last time, but the Council membership has changed. Garret thinks any bill that takes away the right for the voters to decide seems a little silly.

Susan said sometimes there are hard decisions, and the council might want to ask their community. It should not be prohibited for the voters to decide.

Lastly, an email came today from Phil Rogers, who owns two 25-foot lots on Main Street next to the Quilt Shop. He may put these on the market, and he was offering them to the City for less than the market value possibly, and without realty fees if the city is interested. Crystal said she would relay it. He did not provide a dollar amount. Do you want me to put this on an upcoming agenda for discussion and decision? The council did not think so.

Sergeant Doonan reported the numbers for December. The Gallatin County Sheriff (GCSO) responded to 147 calls for service in city limits. In January the GCSO has responded to 140 calls for service to date. Numbers are fairly normal for this time of year.

City Attorney Susan Swimley did not have anything to report.

Gene said the Public Safety Committee meet last week, there were four council persons, the mayor and clerks in attendance to discuss natural disasters or manmade disasters that could possibly happen in the town. We discussed drought, severe weather, wildfires, flooding, Willow Creek dam having the possibility of breaking, Madison Dam, but the disaster that is most fresh in our minds, were the California wildfires. That is something we can think about seriously around here, along with earthquakes. We have had two that did considerable damage in Three Forks. We discussed all the disasters, then ranked them based on their possibility and the affected population. If a disaster happens where do City officials meet, GCSO, Public Works. This all goes with the County's Emergency Management Plan. Crystal will start forwarding those emails to the Council in hopes someone can attend some of these important meetings. Mayor Johnson said we also talked about rolling blackouts Northwestern energy discussed last summer. Attending the natural disaster meetings is required for Three Forks to remain in the County's emergency management plan, and Three Forks needs to be recognized in the emergency management plan to receive FEMA funds.

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**REPORT OF COUNCIL COMMITTEES (if any)**

**UNFINISHED BUSINESS**

**Water Project**

Crystal updated that the bid notice went out for water distribution line replacement, the pre-bid construction meeting with contractors for them to ask questions will be on 2/16/2025 at the Library. The bid opening will be at the Great West Engineering office in Helena on 2/26/2025.

**Flood Project**

Kelly reported we are still speaking with MDT, about the location the mitigation channel will cross under the old highway. The next team call is in person from 10 am to 2 pm on 2/4/2025, because the Three Forks team is presenting at the Association of Montana Flood Managers conference, in Missoula. This meeting is also in person as Headwaters Economics wants feedback on how their organization has helped Three Forks in the last year and how they could do better.

**NEW BUSINESS**

There was no new business.

**PUBLIC COMMENTS/CONCERNS (for items not on the agenda)**

There was no public comment for items not on the agenda.

**MAYOR & COUNCIL ANNOUNCEMENTS**

Gene stated he is on the board of directors of Human Resource Development Council (HRDC) and the Director of the food bank, Heather Griner, this spring will come to the Council to give a presentation and possibly ask the City for money. Her talk will be about what benefits Three Forks sees from HRDC organization. HRDC helps those in need with heating bills, the homeless shelter and the food banks in the valley, including Three Forks Food Bank. They do not just help the bigger communities in the valley, they help all. They are going to all the cities in the valley, they are not just picking on Three Forks, to see if there is any appetite for the City of Three Forks to put in some funds. Gene is on the Governance committee he has been asked to bring this up. The City of Bozeman and Gallatin County both kick in a considerable amount of money for HRDC programs. Gene wanted to make the Council aware, but if you are really opposed to even letting Heather present, please let him know, so he can head her off. He distributed a handout for mental health help for young people. HRDC is teaming up with Yellowstone Boys & Girls Club to create a place for youth in need can go. The suicide rate in Gallatin County for young people is high. This is another avenue they are trying to offer help.


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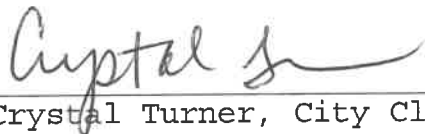
**AGENDA ITEMS FOR NEXT COUNCIL MEETING: 2/11/2025 @ the Library**

- Resolution to Adopt the Impact Fee Advisory Committee's Recommendations for Updated Impact Fees for New Construction and Changes of Use
- FY2023-2024 Audit Report by Rudd & Company
- Gene Townsend to apply for an AARP Community Challenge Grant for the Headwaters Trail System and Gallatin County Open Space Grant.

**ADJOURNMENT**

Motion to adjourn the meeting was made by Councilwoman Hooton and Councilman Chancellor in unison, seconded by Councilman Townsend. **Motion Passed Unanimously.** The meeting was adjourned by acclimation at 7:16P.M.

  
Randy Johnston, Mayor

  
Crystal Turner, City Clerk

