

**\*\* Page 1\*\* A SUMMARY OF PROCEEDINGS OF THE CITY COUNCIL MEETING  
CITY OF THREE FORKS, MONTANA, SEPTEMBER 10<sup>TH</sup>, 2024**

**SEPTEMBER 10<sup>TH</sup>, 2024,** The Three Forks City Council met at the Three Forks City Hall (Council Chambers), 206 Main 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 6:09 P.M.

**ROLL CALL:** City Council members George Chancellor, Gene Townsend, (Warren) Garret Buchanan, Ed Tharp, Roxi McDermott, and Reagan Hooton. City Treasurer Kelly Smith and City Clerk Crystal Turner were present at City Hall. City Attorney Susan Swimley attended via Zoom.

The record reflected a quorum with the attendance of six (6) 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 this meeting was audio and video recorded and may be streamed via Zoom and on our Facebook page. The Mayor also reminded all to familiarize themselves with the policy of conduct for this public meeting on the back of their agenda.

**GUESTS:** Jeff and Teri Gottlob, Gloria Howland, and Justin Higginbotham.

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

Teri Gottlob spoke regarding concerns of safety on Main Street/Highway 2. "My thought was to go to MDT and bring my concerns to them. I spoke to the boss, Ace Meskimen. I have seen big signs in the middle of streets that say "crosswalk and you have to stop" in some towns. I spoke to him about that and he said you can't [have those] on a State Highway. He said they were going to paint the crosswalks and call Crystal [Turner] about the crosswalk issues. Ace said maybe they could talk about lighting up the crosswalk signs. When we are at the gym, we watch people and traffic does not stop for pedestrians. I think it is getting to be rather serious so we wanted to put it in your brains to start thinking about that. I had also mentioned to them about the Farmer's Market, and he had comments about where our sign is located. I have called the Sheriff's Department several times and asked them to come patrol more during the Farmer's Market. People just don't obey the traffic laws," Teri stated.

Jeff Gottlob spoke about lots of little kids around town and how when people park across the street from the Farmer's Market, "Going out of town there is a sign that is 35mph. It'd be nice if they could change that to lower." He believes we need a flashing sign to alert the drivers, as there has been truck traffic from various projects towards and in Willow Creek, and all the other traffic that comes here.

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Gene Townsend said he noticed that the MDT's Street sweeper was out several times this week already so maybe that is in preparation for re-painting. Ed Tharp said when he is at his house, you can watch everyone hit 2<sup>nd</sup> Avenue and just zoom out of town [onto the highway].

Mayor Johnston said he will speak with Ted Jones at MDT, who is the head of this division in the Bozeman office, and see if we can get something done this winter for next year.

**CONSENT AGENDA**

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

- a. City Claims Paid due to Timeliness on 8/23/2024 Totaling \$34,487.67
- b. Three Forks Rodeo Arena Board Claims Paid due to Timeliness on 8/23/2024 Totaling \$747.54
- c. Three Forks Rodeo Arena Check Reissued at Lower Amount due to 2023 Credit on Account \$4,336.78 (Formerly Check #704888 paid on 8/14/2024 at \$5,504.12)
- d. City Claim Paid on 8/30/2024 to Mail Utility Bills in the Amount of \$213.75
- e. City Claims to be Paid
- f. Three Forks Rodeo Arena Board Claims to be Paid
- g. Council Minutes of 8/13/2024
- h. Zoning and Planning Board Minutes of 7/18/2024
- i. Task Order #3, Amendment #1 with Great West Engineering to Provide GIS Software, Training and Professional Services (\$27,250)
- j. Update to Approved Contract with ACME Asphalt for the Headwaters Trail System 2023 Logan Trail Extension (originally awarded on 8/8/2023 at \$99,500; increased to \$115,540)
- k. Engagement Letter with Craig A. Shepherd to Conduct City's Annual Financial Report for FY2023-2024 (\$3,800)
- l. Engagement Letter with Rudd & Company to Perform Audit Services of FY2023-2024 (\$27,500 for this year per 3-Year Contract 2022-2025)
- m. Draw #21 for Water Project in the Amount of \$6,387.15 of the ARPA Local Fiscal Recovery (LFR) Funds
- n. Service Agreement with Wilson Engineering to Provide Structural Engineering Consulting and Recommendations for Three Forks' Fire Hall, City Hall and Library in Order to Perform Remodel and Construction of these Facilities (\$2,430 for all Three Projects)

Gene Townsend commented on Item j, k and i: "J is the trail extension. Probably going to be about \$111,000 instead of \$115,000. K - Is this an increase?" Kelly Smith replied that it is the same as last year, but was \$3,500 for quite a few years previously. Gene continued, "I - Is this increased?" Crystal Turner explained yes, per the contract. We have a 3-

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year contract and each year it increases as agreed upon." Crystal also explained this is just the engagement letter for Rudd & Company to begin the audit, per the contracted amount.

Councilwoman McDermott moved to approve the Consent Agenda. Councilman Buchanan seconded the motion.

**Motion Passed Unanimously.**

**PUBLIC HEARINGS**

**Public Hearing and Decision on the Zoning and Planning Board's Recommendation on 8/15/2024 of a Request by Tricia Lowerre for a Conditional Use Permit for the Property Located at Block 29, Lots 7-8, of the Original Townsite, Commonly Known as 423 S Main Street to Convert a Single-Family Residence into a Triplex within the Central Business District**

Mayor Johnston asked Justin Higginbotham if he had anything to present. Justin replied, "Not at this time."

Zoning & Planning Board Chairman George Chancellor read the staff report. He also read the minutes of the Board, which was a recommendation for approval with the following conditions:

1. All statements made in the application are made conditions of the approval,
2. Two dogs per unit maximum,
3. The basement apartment must contain at least two ingress and egress windows that meet International Building Code standards and the basement apartment bedroom must contain at least one such window,
4. Parking spots must be paved and they must be demarcated.

Kelly Smith said there is one correction in the staff report (corrected at the Zoning meeting) that the basement is 986SF.

Gene Townsend asked about the difference in the dog limitation, "The last application was limited to one dog per unit and this one can have two. I'm just curious if there is any consistency?" Kelly Smith replied that the Board has based it on square footage of the lot. "This one is a 7,000SF lot, so it matched up with the three condos on Milwaukee which were allowed two dogs each. The last one was 8 units on a same square footage so that is why it was limited," Kelly explained.

The applicant did not have anything to add.

There was no public comment.

Councilman Townsend made a motion to accept the application for the conditional use permit for Tricia Lowerre on the property on 423 S. Main Street, in Three Forks, Montana, Central Business District to convert the main floor and the basement and the garage into three separate units, with

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the conditions the basement must contain at least two ingress and egress windows that meet International Building Code standards and the basement apartment bedroom must contain at least one such window, and number two the parking spots and be paved. Kelly Smith asked if he wanted include the dog and statements conditions. Councilman Townsend added that all statements made in the application are made conditions of the approval, and two dogs per unit maximum, and the paved parking spaces must be demarcated to be included in his motion. Councilman Buchanan seconded the motion.

**Motion Passed Unanimously.**

Justin Buchanan informed the Council that egress windows are already installed. "We will be working on paving next," he said.

**Public Hearing and Decision on a Resolution Adopting and Establishing the Mills to be Levied, Designating the Percentage Breakdown for the State of Montana Entitlement Share, and Designating the Breakdown for the Local Option Tax for the Fiscal Year Beginning July 1, 2024, and Ending June 30, 2025**

Mayor Johnston read the resolution into the record in its entirety.

Gene Townsend asked what the total mills levied last year were. Kelly Smith replied it was 85.31. She added, "This may change - not sure if anyone heard on the news that the State did not get appraisals of new construction due to [Department of Revenue] staff being so busy on the 3,700 appeals. For Bozeman, Belgrade and I think Manhattan - they are missing quite a bit of value. DOR has said that they will review those, but I don't think it will change much for Three Forks since we did not have a lot of new construction." Gene said he was aware of this too as the Secretary of the Rural Fire District.

Kelly shared the taxable value form received from DOR on the screen. "The number in the second line down is the mill value, you just take off the last two digits. I think that is pretty accurate for Three Forks, and we are spending a lot this year in our budgets - if you look at what we are bringing in versus what we plan to spend, there are a lot negatives. But that is because we are planning to spend cash we have saved. I don't think if DOR said we have a higher mill value that we will be spending more in the expenditure budget, as we are already planning to spend a lot this year."

Councilman Townsend moved to approve Resolution #428-2024, a Resolution of the Three Forks City Council adopting and establishing the mills to be levied, designating the percentage breakdown for the State of Montana Entitlement share, and designating the breakdown for the Local Option Tax for the Fiscal Year beginning July 1, 2024, and ending June 30, 2025.

Councilman Buchanan seconded the motion.

**Motion Passed Unanimously.**

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**Public Hearing and Decision on a Resolution Establishing Wages and Compensation for the Appointed City Officers and Employees for Fiscal Year 2024-2025**

Mayor Johnston read the resolution into the record in its entirety.

There were no Council comments or discussion.

Councilman Buchanan moved to accept Resolution #429-2024, a resolution of the Three Forks City Council establishing wages and compensation for the appointed officers and employees for Fiscal Year 2024-2025. Councilman Chancellor seconded the motion.

There was no public comment.

**Motion Passed Unanimously.**

**Public Hearing and Decision on a Resolution Adopting the Budget for Fiscal Year 2024-2025**

Mayor Johnston read the resolution into the record in its entirety.

Gene Townsend clarified the City is proposing to spend \$2,000,000 more than we are bringing in, "That is because we are spending cash we have saved, correct?" Kelly said yes. "We are spending a lot of cash this year, more than we have in the past. But we do have cash saved to spend." She explained the "Revenue Over (Under) Expenditures" report (see packet) which looks pretty grim. "But if you look at the "Revenue Compared with Expenditures" it shows we have the cash to cover these planned expenses. "We have been saving up for some of these things for a long time and we are now spending. Typically we don't have a lot of negatives in our reports, but this year we do," she said. Garret Buchanan confirmed the negatives we are seeing this year is uncommon, and that most likely next year we will see things zeroed out because these are one-time projects and purchases we have planned. Kelly confirmed.

Gene Townsend thanked the Treasurer and Clerk for all the work. "I've always thought the budget process for the State of Montana is very convoluted. It's a lot of cussing and changing numbers and it is very hard. I think it's very hard for a layperson to understand and why I think so many people are so down on taxes, because you can spend 10% of this and 2% of that, why don't they just say this is the amount you can spend?! I've been trying to understand it for years and I commend you on a job well done," Gene said. Kelly replied that these two reports she included in the resolution exhibits *Revenues Over (Under) Expenditures Report* and *Revenues Compared with Expenditures*, are the only two reports that show in Governmental Accounting that you are comparing what you bring in verses what you plan to spend.

Councilman Chancellor moved to approve Resolution #430-2024 a Resolution of the Three Forks City Council adopting the budget for Fiscal Year 2024-2025. Councilwoman McDermott seconded the motion.

There was no public comment.

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**Motion Passed Unanimously.**

Kelly Smith stated that she would like to explain a few things in the budget to the Council and public. "On the revenue side, the General Fund, the resolution that was passed that splits the money up, this is where that gets divided out (see highlights on the Revenue report in packet). The Capital Improvement Grant - we spent a lot of money in the past couple years for this project, but we were awarded a grant for \$40,000 and have not received the funds so you'll see that revenue now. The Department of Commerce grants you can only request funds back at 50% completion and 100% completion. The same thing will happen for the Zoning Rewrite." She continued with highlights for the Rodeo Board, the Library, the Fire Capital Improvement Fund (this is strictly a revenue account right now so in the future when we need a City fire truck we hopefully won't have to borrow any money for that truck purchase). Three accounts for impact fees are just a guess, "We don't know how much building will occur the upcoming year. The Impact Fees that are collected in years past have been used for projects listed in the Capital Improvements Plan (CIP), and including the ones you added to the new CIP for this year's budget. And you will also probably see something in the next couple of months from the Impact Fee Advisory Committee on their recommendation for new impact fees based on the additional projects added in the newest CIP. The Street Lighting and Maintenance Districts you guys voted on what to assess the last meeting, but you'll see some more expenses coming out this year because of the chip seal project that got pushed into this fiscal year. The Parks Special Improvements fund, Lavon Flynn who recently passed away, her family has asked that any donations in her name be made to Helton-Peterson Park so you will see money added to that revenue and expense so we can do something in memory of her with those donations. Gas Tax is set every year by the State with the amount each municipality will receive. The Headwaters Trail extension, last year it was budgeted but that didn't happen so it's in there for this year (part of the contract that was on tonight's consent agenda). The Library Capital Reserve fund money will go towards their share of the grant money for renovation of that building." She explained the SID for the Jefferson River Flood Mitigation project and how the City will most likely have expenses coming out of that now. She also explained to the newer Council members that Water and Sewer funds are run more like a *true business* and so no taxes are here, but only charges for services and that revenue pays for all the expenses.

Kelly continued, "If you spend over \$750,000 in Federal Grant money in any given fiscal year you have to do a single audit, at a cost of about \$15,000. So, I would rather see that happen all in one year rather spread over a couple years. With all the Water grants and then the FEMA grant, I am hoping to get all that money this year so we can have just one single audit conducted. Last, Fire Relief - this is the 1.5 mills we collect and when the State sends us the money we turn right around and pay that to the volunteer retirement account so they can pay the retirees." There were no questions from the Council or public.

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Then Kelly covered the Expenditure budget: Financial Administration includes the addition of a recommended 5G ordinance in the budget, and the cost for remodeling City Hall. "There is still a little left to pay out on the CIP project to both Lee and Great West, and then we have the Zoning Code rewrite and other various projects in the Planning account. (All impact fees from water can be transferred to be used on the Water Project.) All the building funds include a projected increase in Northwestern Energy costs. The Fire Department has requested some radios to be purchased, as well as uniforms for attending meetings or funerals so they all dress consistent since they aren't planning on buying turnouts this year. The Work Comp for cancer coverage you guys approved a few months ago, that is in here. There is a GIS platform Public Works is looking at and so it is split between Roads, Water and Sewer. Of course, the Vac truck is still in here since it wasn't able to be purchased last year. We will be going out to bid this year for the mowing contract, so I've included that and the pavilion at the Depot park.

"Crystal worked with the Rodeo Board on their budget, so you'll see it's similar to last year but they included the possibility of a new PA system and the electrical improvements they've been working on. Maybe some crow's nest repairs or rebuild, and then engineering for additional bleacher wings. The Library changed up the directorship and because it is split between a Senior and Junior position, which are both part-time the Library has savings from not providing health insurance. In the Parks Special Projects, Sean said at the end of the ice-skating season last year that the liner will need to be replaced. The Budget Committee recommended we to try and see if we can pave Railway Avenue. Then the Library's Reserve Fund has the ADA door and remodel project in there. Water and Sewer have one-third of the GIS, City Hall remodel match, and a portion of the Code Enforcement vehicle. Water and Sewer have a 50% split for a new Public Works truck. Water only has budgeted for a generator for the wellhouses in case we lose power and an electrician to wire it. Sewer only has a portion of the Vac truck, and then the truck for Public Works. (And then the vehicle for Code Enforcement the Council approved in July, that is in the Code Enforcement, Water, and Sewer accounts as well.) Again, we can pay some of the collected impact fees for Sewer towards the Vac truck, Lee helped me calculate the portion that could be spent towards that new equipment. Sewer also has the Wastewater PER," Kelly finished.

Gene Townsend questioned, with 5 mills that goes to the Fire Capital Improvement fund for new truck, how much is in that fund now? Kelly replied after this year about \$300,000.

**REPORT OF OFFICERS**

City Treasurer Kelly Smith did not have a report.

City Clerk Crystal Turner did not have a report.

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City Attorney Susan Swimley did not have a report.

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

George Chancellor read a Three Forks Area Ambulance Community Update for August 2024 (see packet).

He asked Susan Swimley to look into an urban camping ordinance that goes beyond our parking ordinance of 72-hour limit.

**UNFINISHED BUSINESS**

**Flood Project** - Same report as last month. Ed Tharp asked if anything would start in 2024? Kelly Smith replied probably permitting will begin.

**Water Project** - Mayor Johnston said next month should be a 72-hour pump test for the new well.

**NEW BUSINESS**

There was no new business.

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

Gloria Howland asked about who caught the wrong-way drivers on the interstate? George replied he believed it was the Highway Patrol.

**MAYOR & COUNCIL ANNOUNCEMENTS**

There were no Mayor announcements.

Gene Townsend announced they will pave the extension on the Headwaters Trail System tomorrow to Rey Creek. "I will be applying for a lot of grants again this year to hopefully pave past Rey Creek and include two bridges: one over Rey Creek and one over the irrigation ditch."

**AGENDA ITEMS FOR NEXT COUNCIL MEETING: October 8, 2024**

- Nothing specific scheduled yet

**ADJOURNMENT**

Motion to adjourn the meeting was made by Councilman Chancellor, seconded by Councilwomen McDermott and Hooton in unison. **Motion Passed Unanimously.** The meeting was adjourned by acclimation at 7:40P.M.

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Randy Johnston, Mayor

Crystal Turner, City Clerk