



Anaconda-Deer Lodge County TIFID No. 2 (Mill Creek) Board

TIFID No. 2 (Mill Creek) Board

Thursday, July 12th, 2022

Meeting called by Jim Davison, Chairperson **Members Present:** Rich Rivers, Vice-Chair; Carl Hamming, Planning Director; John Sullivan, School District #10 Superintendent; Bill Finnegan

Type of meeting Monthly Meeting

Minutes taken by Carlye Hansen

Members Absent: Jim Davison, Chair; David Galle; Con Malee

Staff: Eric Hoiland, ADLC Treasurer; Bill Everett, CEO; Carlye Hansen, Planning Department Secretary

Guests Present: Gayle Clark

AGENDA TOPICS

Call to order

Meeting was called to order by Rich Rivers, Vice-Chairperson. at 3:05 p.m.

Approval of Minutes: January 6th, 2022

Motion was made by Bill Finnegan to approve the minutes of 01/06/2022; seconded by Carl Hamming. Motion passes 3-0.

Unfinished Business

None

New Business

1. Review of Budget, Second Half Taxes, and Increment Release

Eric Hoiland, ADLC Treasurer, reviewed the 2312 tax fund sheets.

Please see the attached Mill Creek Tax Increment Finance Industrial District Distribution Detail Reconciliation for Fund 2312 (Tax Increment), Fund 2313 (TIFID Authority Board) Fund, Fund 3040 (Debt Reserve), and Fund 4013 (TIFID Reserve Fund)



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Mr. Hoiland stated that both the 1st half distribution as well as the 2nd half distribution are both able to be seen at the bottom of this sheet as well as the entities. The second sheet is for the JV and what money went where.

Rich Rivers asked for a clarification on the money in Fund 3040. Mr. Hoiland explained that this is correct and explained how the bonds worked in this situation.

Bill Everett stated that at this time there is no interest in the area out in Mill Creek. He thinks what is limiting any development in that area is the natural gas line. The line that is currently going to the plant area is at about 90% capacity so an entire new gas line would need to be installed and this gas line would need to come from Great Falls. There is some talk with Atlantic Richfield to remove some of the convenances in this area, but this will take some time, and eventually there may be the possibility of residential subdivisions on this land, and he feels that this could be a desirable area for this sort of development, but as far as industrial, there have been no takers.

At this time, the discussion took a turn towards the sunsetting and debt recall on the Mill Creek TIF debt. John Sullivan from the school district stated that sunsetting the TIF will most definitely affect the taxpayer due to the recent taxable valuation from the State of Montana for 2023, they did bump them only about \$1M. Eric Hoiland states that he does not agree with this as OPI does not recognize this as newly taxable value and he states that the school district will get roughly a \$7M bump. This was discussed in significant detail and at the end, both parties still disagreed on what the potential result will be to the taxpayers. Mr. Sullivan feels that the mils will need to be significantly increased and Mr. Hoiland states that this will be a wash. Mr. Everett also got into this conversation and stated that there should not be any impact to the school district if they up their mils, as the County would then be able to decrease theirs, and in the end, the taxpayers will still be paying less than they are now. Mr. Everett states that perhaps they would see an 18% tax break. Gayle Clark also explained that they will need to have the approval of the voters to be able to go to their maximum budget, and that this is basically a two-fold system. Mr. Sullivan stated that the highest budget right now for the elementary with a vote is \$6,417,000.00 and the highest budget without a vote would be \$6,028,000.00 for a difference of \$389,000.00. This is for elementary only. He states that if the TIFID money goes away, they will make it up with that same budget without a vote, but if they want to get to the max budget, they will need to ask them for a vote. Right now, they are using Federal money to pay for this, that, and the other thing, but if this goes away, now

they will need to cover for the money that is going away.



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Ms. Clark states that when the county does something like this states that they don't need this TIFID, it then turns and looks really bad for the school district when they have to increase so much to operate and she doesn't feel that the county will not be saving them the 24%, but Mr. Everett then stated that this is a large cut in property taxes and it will still break even, if not being better for the taxpayer. Mr. Everett then went around the table for peoples take on a reduction of 24% on the tax bill and it was then explained to the group how they are coming up with the 24% tax cut. There was significant, detailed conversation regarding this between Mr. Everett, Mr. Hoiland, Mr. Sullivan, and the Board. Mr. Hoiland showed an example from the certified values from previous meetings and discussed how this is determined. The school district states that they are eventually going to have to make cuts in their system as they are not working within their means and that sunseting the TIFID would negatively impact the school system. The entire process of running levies, increasing mils, max budgets, etc., is a huge gamble to any budget. Carl Hamming stated that if anyone was to stand before a taxpayer and stated that their tax bill is going to go down, why would anyone not be excited by that? This is essentially a package deal by the county and school district combined.

Rich Rivers wanted to just understand that what they need is a triggering event with the debt recall and sunseting the tax increment before January 1st, 2023. He understands what the idea is, and Mr. Hoiland stated that everything is in black and white. He states that the OPI does a lot of this differently than they do things, but to him, the OPI has not included the values that he is showing them as the school district's taxable base.

It was discussed that a vote is need at this point to start the sunseting process.

Motion is made by Bill Finnegan to accept the financials for the 2nd half distribution as presented and to approve \$526,110.00 budget for reserve; seconded by Carl Hamming. Motion passes 3-0.

Motion is made by Carl Hamming to have Mr. Hoiland draft a resolution to ADLC Commission to begin the process to call bonds on the TIFID debt with no sunseting language within the resolution; seconded by Bill Finnegan. Motion passes 3-0.

Next Meeting
TBD

Adjournment



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Motion was made to adjourn by Bill Finnegan at 4:30 p.m; seconded by Bill Finnegan. Motion passes 3-0.

Respectfully Submitted,

Carlye Hansen

Carlye Hansen, Planning Department Secretary

Minutes Approved: 08/16/2022