

CITY OF HELENA
REGULAR CITY COMMISSION MEETING
June 19, 2006
6:00 P.M.

Time & Place

A regular City Commission meeting was held on Monday, June 19, 2006 at 6:00 p.m., in the Commission Chambers, 316 N. Park Avenue, Helena, Montana.

Members Present

Mayor Smith indicated for the record that Commissioners Oitzinger, and Peura were present. Commissioner Cartwright was excused. City Manager Tim Burton, City Attorney David Nielsen and Deputy City Clerk Robyn Brown were present. Others present were Lynn Boone representing the Helena Citizens Council.

Pledge of Allegiance

Mayor Smith asked those persons present to please stand and join him in the pledge of allegiance.

Minutes

The minutes of the regular City Commission meeting of June 5, 2006 were approved as submitted.

Consent Agenda

CONSENT AGENDA:

- A. Claims
- B. Utility Bill Insert - Water and Wastewater Rate Increases
- C. Acceptance of a grant from the United States Forest Service for the Mount Ascension Fuel Reduction - Phase 3 Project
- D. Final passage of Ordinance No. 3058 amending City of Helena Ordinance No. 2359 and amending the official zoning map thereof in reference to a zone change from R-2 (Single Family Residential) and R-3 (Medium Density Residential) Districts to PLI (Public Lands and Institutions) District for property generally located east of California Street between Highland Street and Winne Avenue with street addresses of 201 and 209 South California Street **Ordinance #3058**
- E. Final passage of Ordinance No. 3059 amending City of Helena Ordinance No. 2359 and amending the Official Zoning Map thereof, in reference to property located at 1121 Sanders Street and 1509 Livingston Avenue, for a zone change from a R-2 to a PLI District **Ordinance #3059**

City Manager Tim Burton recommended approval of the claims and the consent agenda.

Commissioner Peura asked that item B be removed for further discussion with agenda items 14 and 15.

Public comment

Mayor Smith asked for public comment, none was received.

Motion

Commissioner Peura moved approval of items A, and C through E on the consent agenda. Commissioner Oitzinger seconded the motion. All voted aye, motion carried.

Communications

COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS
No reports were given.

Report of the City Attorney

REPORT OF THE CITY ATTORNEY

City Attorney Nielsen reported according to City Commission by-laws it would take a unanimous vote (3-0) to approve tonight's agenda items.

Report of the City Manager

REPORT OF THE CITY MANAGER

- A. Paul Spengler- Lewis and Clark County Disaster and Emergency Services Coordinator

Mr. Spengler asked for Commission approval of the Lewis & Clark County/City of Helena Emergency Operations Plan. He gave a summary of revisions to the plan, and noted Public Works Director John Rundquist, Police Chief Troy McGee and Fire Chief Steve Larson have approved the plan. Mayor Smith noted there was a thorough presentation and discussion of the plan at the June 1, 2006 Joint Work Session.

Public comment

Mayor Smith asked for public comment, none was received.

Motion

Commissioner Oitzinger moved approval of the Lewis & Clark County/City of Helena Emergency Operations Plan.

Commissioner Peura seconded the motion. All voted aye, motion carried.

- B. Appointment process for new Commissioner

City Manager Burton invited Human Resources Director Salty Payne to explain the method for filling the open seat on the City Commission. Director Payne gave an overview of the process and timeline. There was Commission concurrence for the process as proposed.

Report from the Helena Citizens Council

REPORT FROM THE HELENA CITIZENS COUNCIL

HCC member Lynn Boone reported the HCC will be performing a survey regarding quality of life issues in Helena. Also, the public relations committee is working on providing the community with more information about the HCC and their mission.

Ms. Boone noted there are two vacancies on the HCC, District 4 and District 6. The next meeting is Wednesday, June 28, 2006.

Commissioner Peura thanked the HCC for their work.

Jan Shaw Youth Home

CONSIDER ENTERING INTO NEGOTIATIONS WITH KARHU ARCHITECTS, INC. TO PREPARE A PRELIMINARY ARCHITECTURAL REPORT FOR THE JAN SHAW YOUTH HOME PROGRAM AND AUTHORIZE THE CITY MANAGER TO SIGN THE CONTRACT.

Staff Report

Community Development Director Sharon Haugen reported the City of Helena has been awarded a federal Planning Grant from the Community Development Block Grant (CDBG) Program to prepare a Preliminary Architectural Report on behalf of Montana Youth Homes for a potential housing project application in November 2006.

The request for proposals was advertised on May 7 and 14, 2006 with one proposal received from Karhu Architects, Inc. The chosen architectural firm would provide preliminary design for this project that will be in compliance with all applicable requirements under the Montana

CDBG Program. Ms. Haugen recommended entering into negotiations with Karhu Architects, Inc.

Commission comment Mayor Smith asked where the current home is located? Director Haugen stated on Euclid Avenue near Carroll College.

Public comment Mayor Smith called for public comment, none was received.

Motion Commissioner Oitzinger moved approval for the City of Helena to enter into negotiations with Karhu Architects, Inc to prepare a Preliminary Architectural Report for the Jan Shaw Youth Home Program and authorized the City Manager to sign the contract. Commissioner Peura seconded the motion. All voted aye, motion carried.

HOME Grant ECO CONSIDER A RESOLUTION DESIGNATING AN ENVIRONMENTAL CERTIFYING OFFICIAL FOR PURPOSES OF APPLYING FOR AND ADMINISTERING HOME INVESTMENT PARTNERSHIP GRANTS AND COMMUNITY DEVELOPMENT BLOCK GRANTS FROM THE MONTANA DEPARTMENT OF COMMERCE.

Staff Report Director Haugen reported all HOME and CDBG applications and grants require that an Environmental Certifying Official (ECO) be designated. Previously all that was required to designate an ECO was a letter from the City Manager stating that designation. However, HUD has implemented a new requirement that states, "If someone other than an elected official is designated as the ECO, a local government resolution is required to designate the ECO." In the past we have designated a specific staff person for each separate grant. The programs at the Montana Department of Commerce now allow the designation of a position, as opposed to a specific person, as Environmental Certifying Officer for any future CDBG and HOME grants. The purpose of designating the Community Development Director is that various staff can complete the work and the Director can certify the process. The designation of a position as ECO will allow for greater continuity and flexibility when applying for and administering certain grants. Director Haugen recommended approval of the resolution.

Commission comment Commissioner Peura asked for a definition of the "Environmental Review Record" mentioned in the proposed resolution. Director Haugen explained in cases of new construction, the Community Development Department completes the environmental checklist and identifies any impacts due to the construction. Once no significant impacts are identified, staff certifies the results to the corresponding state agency so the CDBG funds can be released.

Public comment Mayor Smith called for public comment, none was received.

Motion Commissioner Peura moved approval for a resolution designating an Environmental Certifying Official for purposes of applying and administering HOME Investment Partnership Grants and Community Development Block Grants for the Montana Department of Commerce. Commissioner Oitzinger seconded the motion. All voted aye, motion carried. Resolution #19362

**Open Space
Maintenance District**

CONSIDER A RESOLUTION OF INTENTION TO CREATE THE HELENA OPEN SPACE MAINTENANCE DISTRICT NO. 1 IN THE CITY OF HELENA.

Staff Report

City Parks & Recreation Director Randy Lilje reported creation of the Helena Open Space Maintenance District No. 1 is the long term funding mechanism recommended by the Helena Open Lands Management Advisory Committee (HOLMAC), and in the Helena Open Lands Management Plan, adopted by the City Commission in February 2004 and again in the 2006 Open Lands Work Plan.

Up to now the maintenance and management of Helena's Open Lands system has been funded primarily by means of funds set aside for maintenance out of the Open Space Bond passed by city voters in 1996. Those funds will most likely be entirely expended by the end of 2006.

This maintenance district is a city-wide assessment allowed by Montana state statute like a park maintenance district or the city's tree maintenance district that would provide long term funding for the maintenance of the city's open lands system. The proposed assessment would be a flat fee of \$13.50 per individual property charged annually.

If the City Commission were to approve this resolution of intention to create the district, cards would go out to all of the city property owners of record at this time that briefly describe the purpose of the district and what the proposed annual assessment would be. The informational card will also have a place for the property owner to protest the creation of the district if they so choose.

Director Lilje recommended approval of the resolution of intention and asked the Commission to set a public hearing date of July 17, 2006. He noted if the assessment were approved, it would be placed on this November's tax bill.

Commission comment

Commissioner Peura asked Director Lilje if he anticipates the proposed per-lot charge will be sufficient for the foreseeable future? Director Lilje explained staff believes the charge will be sufficient because of current and projected growth within the city. He noted it is also anticipated the rate will keep up with inflation, and be able to meet the needs of a growing open lands system through subdivision requirements and the efforts of the Prickly Pear Land Trust.

Commissioner Peura asked for the process to revise the assessment, should \$13.50 not be adequate or result in excess funding. Director Lilje stated the process would be the same as this evening; any change would require public notice and a vote of the Commission.

Commissioner Oitzinger noted the postcards would be sent out on June 23, 2006 and due July 14, 2006 at 5:00p.m. Commissioner Peura asked where citizens could view the Open Lands Management Plan? Director Lilje stated it is available on the City's website or hard copies are available in the Parks & Recreation Office. Commissioner Oitzinger noted when the open space program began there was an understanding that a fee would be proposed in the future.

Public comment

Mayor Smith called for public comment.

Ken Knudson, chairman of HOLMAC; urged the Commission to approve the resolution of intention.

Alice Stanley, 802 Power Street, HOLMAC member; spoke in support of the maintenance district.

Jim Cancroft, 1012 Wilder, HOLMAC member; spoke in support of the resolution.

Motion

Commissioner Peura moved approval of a resolution of intention to create the Helena Open Space Maintenance District No. 1 in the City of Helena and set a public hearing date for July 17, 2006. Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19363**

Engineering Standards

CONSIDER ADOPTION OF THE CITY OF HELENA ENGINEERING STANDARDS.

Staff Report

Public Works Director John Rundquist reported the Engineering Division of Public Works performs development review for city infrastructure including streets, water, sewer, and storm drainage. Although there are standards of practice for developer installed infrastructure, some are customary standards, some are written policy and some rely strictly on city ordinance.

In an effort to streamline the development review process and better communicate Helena's infrastructure standards, the city hired three consultants to draft engineering standards. Each firm drafted a different section of the standards; Anderson-Montgomery completed the water and sewer section, Robert Peccia & Associates completed the transportation section and HDR Inc. completed the stormwater section. The standards were developed incorporating the current City Code, City Public Works policies, and State of Montana requirements. The Engineering Division assembled these draft standards into one document.

A public meeting was held on November 17, 2005 and public comment was received through January 1, 2006. Many comments were received from local engineering firms who work with developers. These comments were delivered to the Commission during the May 3, 2006 Administrative Meeting. Staff has responded to all of the comments received and many were incorporated into the final draft standards.

Director Rundquist recommended the city formally adopt the proposed standards. The standards will be made available to the public by providing a link on the city's website and by providing a CD-ROM copy to engineering firms doing business in Helena. Staff's intent is to seek ongoing comment on the standards and bring forward any appropriate revisions annually for Commission approval.

Public comment

Mayor Smith called for public comment, none was received.

Motion

Commissioner Peura moved approval for the adoption of the City of Helena Engineering Standards. Commissioner Oitzinger seconded the motion. All voted aye, motion carried.

SID No. 408

CONSIDER A RESOLUTION OF INTENTION TO CREATE SPECIAL IMPROVEMENT DISTRICT NO. 408 TO INSTALL CURBS, GUTTERS, SIDEWALKS, PAVING, STORM WATER DRAINS, AND OTHER APPURTENANCES FOR THE RECONSTRUCTION OF GRANITE STREET BETWEEN KNIGHT STREET AND US HIGHWAY 12 IN THE CITY OF HELENA, MONTANA AND ESTABLISH THE METHOD OF ASSESSMENT AGAINST THE PROPERTY IN THE DISTRICT.

Staff Report

Public Works Director Rundquist reported Granite Street is a paved street that is not developed to city standards. As a condition of the final plat for the Overlook Subdivision, the developer was required to construct half of Granite Street to city standards. Also, when Kessler School was annexed into the City of Helena the school district signed a waiver of protest to the formation of an SID to reconstruct Granite Street to city standards. The Overlook Subdivision has fulfilled their obligation of constructing half the street, which includes half stormwater main, half the curb and gutter, and the entire base coarse of the road.

Staff is recommending creation of a district with Kessler School District as the only participant for the reconstruction of half of Granite Street. The developer of the Overlook Subdivision is not included with this SID because they have fulfilled their obligation by constructing half the street through a private contract.

The improvements to Granite Street will be between Knight Street and US Highway 12. The general character of the improvements being financed are preparation, design, engineering, reconstruction and installation of streets, sidewalks, and related improvements including grading, asphalt, curbs, storm drainage, signage, striping, miscellaneous utility work, and landscaping. Also, at the request of the School District, stormwater main installation across the school grounds has been included in the SID.

The total estimated costs of the improvements, including all incidental costs are \$382,298. If bonds are issued, the bonds are to be payable from special assessments to be levied against property in the district; the property will be specially benefited by the improvements in an amount not less than \$382,298.

Public comment

Mayor Smith called for public comment, none was received.

Motion

Commissioner Oitzinger moved approval of a resolution of intention to create Special Improvement District No. 408 and set a public hearing date of July 31, 2006. Commissioner Peura seconded the motion. All voted aye, motion carried. **Resolution #19364**

Wastewater rates

CONSIDER A RESOLUTION OF INTENTION TO INCREASE WASTEWATER RATES FOR ALL CUSTOMERS.

Staff Report

Administrative & Financial Services Director Tim Magee gave an overview of the budget process to date.

Regarding wastewater rates, each year the City Commission may adjust the rates. The resolution of intention allows us to place the required notices in the IR so that the public is informed.

The Resolution of Commission intent for FY2007 calls for funding essential services, including:

- Providing annual funding for regularly recurring Comprehensive Capital Improvement Program (CCIP) components;
- Annually reviewing rates to:
 - ❖ Ensure adequate funding of operations, maintenance and debt;
 - ❖ Address capital project priorities;
 - ❖ Provide for part or all of the impact of inflation; and

- ❖ Make incremental rate changes that are regular and predictable for citizens.

The wastewater rates include recommended rate increases as a result of the City Commission's CCIP review. Wastewater rates have remained the same since July 1999.

Commission comment Commissioner Peura recommended raising wastewater rates by 4.65% instead of 3.4%, as proposed by staff. There was Commission concurrence to discuss the proposed rate at the next Administrative Meeting.

Public comment Mayor Smith called for public comment, none was received.

Motion **Commissioner Peura moved approval of a resolution of intention to increase wastewater rates as amended and set a public hearing date for August 14, 2006.** Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19365**

Utility bill insert Commissioner Peura referred to consent agenda item B and suggested tabling the insert until discussion is held on the proposed rates at the next Administrative Meeting. Director Magee indicated staff would amend the water utility bill insert to reflect the newly proposed rates in the resolution of intention and mail the insert in August.

Motion **Commissioner Oitzinger moved approval of the Utility Bill insert for water and wastewater rate increases as amended.** Commissioner Peura seconded the motion. All voted aye, motion carried.

Water rates CONSIDER A RESOLUTION OF INTENTION TO INCREASE WATER RATES FOR ALL CUSTOMERS.

Staff Report Director Magee reported each year the City Commission may adjust the above rates. The resolution of intention allows us to place the required notices in the IR so that the public is informed.

The Resolution of Commission intent for FY2007 calls for funding essential services, including:

- Providing annual funding for regularly recurring Comprehensive Capital Improvement Program (CCIP) components;
- Annually reviewing rates to:
 - ❖ Ensure adequate funding of operations, maintenance and debt;
 - ❖ Address capital project priorities;
 - ❖ Provide for part or all of the impact of inflation; and
 - ❖ Make incremental rate changes that are regular and predictable for citizens.

The wastewater rates include recommended rate increases as a result of the City Commission's CCIP review. Water rates were last increased in November 2004.

Public comment Mayor Smith called for public comment, none was received.

Motion

Commissioner Peura moved approval for a resolution of intention to increase water rates 3.4% and set a public hearing date for August 14, 2006. Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19366**

Public Hearings

PUBLIC HEARINGS:

- A. CONSIDER A RESOLUTION TO LEVY AND ASSESS THE FOLLOWING ANNUAL CHARGES FOR FISCAL YEAR 2007:
 - A. STREET LIGHTING DISTRICTS
 - B. STORM WATER UTILITY
 - C. TREE PLANTING AND MAINTENANCE DISTRICT
 - D. SPECIAL IMPROVEMENT DISTRICTS (SIDS)
 - E. SIDEWALK IMPROVEMENT PROGRAM
 - F. STREET MAINTENANCE DISTRICT #1

Staff Report

Director Magee stated each year the City Commission must levy and assess annual charges on the above districts in order for them to be placed on the upcoming tax bills. The Resolutions of Intention allow staff to place the required notices in the IR so that the public is informed.

The Storm Water and Street Maintenance District assessments include recommended rate increases as a result of the City Commission's CCIP review. Staff is proposing approval of the following assessment budgets:

- A. **Street Lighting Districts:** Street Lighting districts assessments are based upon the anticipated cost of electric utility bills and administrative services.
- B. **Tree Planting and Maintenance District:** The proposal is to keep the assessment rate the same at \$10 per GEO code or parcel.
- C. **Special Improvement Districts (SID's):** The SID assessments are for outstanding debt. New SID's or advance payments of assessments will automatically create related budget adjustments.
- D. **Sidewalk Improvement Program:** The Sidewalk Improvement Program Resolution shows the total amount of annual assessments.
- E. **Storm Water Utility:** The Storm Water Utility Resolution anticipates a 3.4% increase in the rate and anticipates no change in the method of assessment.
- F. **Street Maintenance District #1:** Street Maintenance District #1 assessments are based on square footage rates and the type of property as classified in the resolution. The proposal is to increase assessments 3.4%.

Commission comment

Commissioner Peura recommended tabling the proposed resolutions to levy and assess annual charges for Storm Water Utility and Street Maintenance District #1 to allow additional discussion at the

next Administrative Meeting. He explained he believes the rates need to be increased to fund capital projects at a higher rate.

Motions

Commissioner Peura moved to table resolutions to levy and assess annual charges for Storm Water Utility and Street Maintenance District #1 to July 31, 2006. Commissioner Oitzinger seconded the motion. All voted aye, motion carried.

Commissioner Peura moved approval of a resolution of intention to increase storm water utility rates up to 10.60% and set a public hearing date for July 31, 2006. Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19368**

Commissioner Peura moved approval of a resolution of intention to increase Street Maintenance District #1 rates up to 9.65% and set a public hearing date for July 31, 2006. Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19372**

Public Testimony

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

There being no persons wishing to address the Commission, Mayor Smith closed the public hearing.

Commissioner Peura moved approval of the resolutions to levy and assess annual charges for the following districts for fiscal year 2007:

- 1. Street Lighting Districts - Resolution #19367**
- 2. Tree Planting and Maintenance District - Resolution #19369**
- 3. Special Improvement Districts (SID's) - Resolution #19370**
- 4. Sidewalk Improvement Program - Resolution #19371**

Commissioner Oitzinger seconded the motion. All voted aye, motion carried.

B. CONSIDER A RESOLUTION TO APPROVE THE PROPOSED BUDGET OF THE 9-1-1 FUND FOR FISCAL YEAR 2007.

Staff Report

Director Magee noted state law (7-6-4035) requires that the City Commission approve the budget of any appointed board. The 9-1-1 funds fall under the direction of the Support Services Division Board, which has presented the proposed budget to the City Commission for consideration. Mr. Magee recommended approval of the budget as submitted.

Public Testimony

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

There being no persons wishing to address the Commission, Mayor Smith closed the public hearing.

Motion

Commissioner Peura moved approval for a resolution to approve the proposed budget of the 9-1-1 fund for fiscal year 2007. Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19373**

C. CONSIDER A RESOLUTION TO APPROVE THE PROPOSED BUDGET OF THE SUPPORT SERVICES DIVISION FOR FISCAL YEAR 2007.

Staff Report

Director Magee reported state law (7-6-4035) requires that the City Commission approve the budget of any appointed board. The Support Services Division has presented its proposed 2007 budget to the City Commission for consideration. Mr. Magee recommended approval of the budget as submitted.

Public Testimony

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

There being no persons wishing to address the Commission, Mayor Smith closed the public hearing.

Motion

Commissioner Peura moved approval for a resolution to approve the proposed budget of the Support Services Division for fiscal year 2007. Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19374**

D. CONSIDER A RESOLUTION SETTING FEES CHARGED FOR DISPOSAL OF GARBAGE AND REFUSE AT THE CITY OF HELENA TRANSFER STATION FOR FISCAL YEAR 2007.

Staff Report

Director Magee stated the City Commission passes a resolution annually establishing charges for the Transfer Station. The Public Works Department is recommending no fee increase for fiscal year 2007. Director Magee recommended approval of the resolution to set rates used by the Transfer Station enterprise for FY2007.

Public Testimony

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

There being no persons wishing to address the Commission, Mayor Smith closed the public hearing.

Motion

Commissioner Peura moved approval for a resolution to set fees charged for disposal of garbage and refuse at the City of Helena Transfer Station for fiscal year 2007. Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19375**

E. CONSIDER A RESOLUTION TO ESTABLISH A RATE MATRIX FOR SERVICE CHARGES FOR COMMERCIAL COLLECTION AND DISPOSAL OF GARBAGE AND REFUSE IN THE CITY OF HELENA, MONTANA FOR FISCAL YEAR 2007.

Staff Report

Director Magee reported annually the City Commission passes a resolution establishing charge commercial collection and disposal of garbage and refuse in the City of Helena, Montana for fiscal year 2007. The proposed resolution includes all charges that are currently being utilized by Commercial Sanitation and includes them on one resolution. Passage of the proposed resolution will allow the department to establish all rates used by the Commercial Solid Waste enterprise for FY 2007.

G. CONSIDER A RESOLUTION TO APPROVE THE PROPOSED BUDGET OF THE HELENA PARKING COMMISSION FOR FISCAL YEAR 2007.

Staff Report

Director Magee stated state law (§7-14-4615, MCA) requires the Helena Parking Commission report transactions and financial affairs, and the City Commission approve the budget of any appointed board. Director Magee recommended approval of the submitted budget.

Public Testimony

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

There being no persons wishing to address the Commission, Mayor Smith closed the public hearing.

Motion

Commissioner Peura moved approval for a resolution approving the proposed budget of the Helena Parking Commission for Fiscal Year 2007. Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19378**

H. CONSIDER A RESOLUTION TO LEVY AN ASSESSMENT FOR THE CITY OF HELENA BUSINESS IMPROVEMENT DISTRICT (BID), AND APPROVE THE PROPOSED BUDGET AND WORK PLAN FOR FISCAL YEAR 2007.

Staff Report

Director Magee noted on July 24, 2000, the City Commission passed Resolution #11542 which re-created the BID for an additional ten years. State law (7-12-1132) requires the BID to submit it's budget and work plan to the City Commission for consideration and approval of the related assessment to support the district. The assessment methodology is unchanged and outlined in the resolution. The BID's proposal is that, after receiving public comment, the City Commission approve the work plan, budget, and assessment methodology as submitted.

Commission comment

Commissioner Peura commended the BID work plan.

Public Testimony

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

There being no persons wishing to address the Commission, Mayor Smith closed the public hearing.

Motion

Commissioner Peura moved approval for a resolution to levy an assessment for the City of Helena Business Improvement District (BID) and to approve the proposed work plan and budget of the Business Improvement District for fiscal year 2007.

Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19379**

I. CONSIDER A RESOLUTION TO LEVY ADDITIONAL PROPERTY TAX REVENUE FOR FISCAL YEAR 2007.

Staff Report

Director Magee reported:

✓ 15-10-203, MCA requires the City to hold a public hearing before passing a resolution to Budget Additional Property Tax Revenue.

✓ 15-10-420 (1)(a), MCA authorizes a property tax levy increase of "one-half of the average rate of inflation for the prior 3 years". The Consumer Price Index showed a 2.85% average increase. Therefore the City is allowed and is proposing a 1.43% property tax levy increase.

✓ 15-10-420 (1)(b), MCA allows the City to carry forward its levy authority, even if it did not levy the maximum levy authorized in a prior year.

✓ 15-10-420 (5)(b) and 2-9-212, MCA allows the City to levy for group benefit premium increases.

✓ 15-10-420 (7), MCA allows the City to levy for any decrease in reimbursements.

The Proposed Budget includes tax revenue increases for:

1. CPI-U inflation factor of 1.43%, or \$71,692;
2. tax revenue authorized but not levied in the prior year totaling \$-0-;
3. increase in group benefit premiums of \$64,208; and,
4. projected State Personal Property Tax Reimbursement decrease of \$8,131.

These increases total \$144,031, or 2.37% of the \$6,071,829 in property tax revenue levied in the prior year. Director Magee recommended approval of the proposed resolution, as the tax revenue increases are necessary to preserve the present level of services to the community.

Commission comment

Commissioner Peura asked for confirmation that the proposed resolution would preserve the authority of the Commission to set the property tax levy, but does not set the levy amount until August. Director Magee concurred.

Public Testimony

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

There being no persons wishing to address the Commission, Mayor Smith closed the public hearing.

Discussion

Commissioner Peura indicated he would not support the proposed increase in property taxes at the final hearing in August because the General Fund is in good shape and the ending fund balance of the current budget year is at approximately 28%, which is a generous amount.

Motion

Commissioner Peura moved approval for a resolution to budget additional tax levy revenue. Commissioner Oitzinger seconded the motion. All voted aye, motion carried. **Resolution #19380**

J. CONSIDER A RESOLUTION TO ADOPT FINAL BUDGETS, BUDGET AUTHORITIES AND ANNUAL APPROPRIATIONS FOR FISCAL YEAR 2007.

Staff Report

Director Magee reported the Local Government Budget Act, MCA, Title 7, Chapter 6, Part 4, requires the city to develop and adopt an annual budget. He then gave an overview of the following proposed funding amendments:

Animal Control Officer – addition of one half-time position

Motion

Commissioner Oitzinger moved approval for the addition of one half-time Animal Control Officer. Commissioner Peura seconded the motion. Motion failed 2-1 with Mayor Smith voting no.

Bike-Ped Coordinator – addition of one full-time position

Motion

Commissioner Oitzinger moved approval for the addition of one full-time Bike-Ped Coordinator. Commissioner Peura seconded the motion. Motion failed 2-1 with Mayor Smith voting no.

HCTV – one time only funding increase of \$10,000

Motion

Commissioner Peura moved approval for a one time only funding increase to HCTV. Commissioner Oitzinger seconded the motion.

Comment

Commissioner Peura noted in the city's budget there is approximately \$89,000 of ongoing sustainable funds in addition to \$1,149,000 in one-time only reserve funding and urged Commission members to support the HCTV amendment.

Vote

All voted aye, motion carried.

Urban Wildlife Task Force – addition of one-time only General Fund Contingency Amount

Commissioner Oitzinger moved approval for the Urban Wildlife Task Force contingency amount. Commissioner Peura seconded the motion.

Comment

Commissioner Oitzinger commented on the task force and recommended the Commission to approve the one time only funding. City Manager Burton explained the various ways the funding might be spent.

Vote

All voted aye, motion carried.

Historic Preservation Projects – one-time only funding of \$3,039

Motion

Commissioner Peura moved approval for the one-time only additional funding for Historic Preservation Projects. Commissioner Oitzinger seconded the motion. Motion failed 2-1 with Mayor Smith voting no.

War Memorial and Special Services Reunion Support – one-time only funding of \$10,000

Discussion

City Manager Burton noted this amendment includes one request for financial support for the last First Special Service Force Reunion. The other request is for funding to perform repair work on the First Special Service Force Memorial and update the Lewis and Clark County War Memorial at Memorial Park.

Motion

Commissioner Peura moved approval for one-time funding in the amount of \$10,000 for the War Memorial and Special Service Forces Reunion. Commissioner Oitzinger seconded. All voted aye, motion carried.

Adjustments/Corrections

Director Magee reviewed the proposed amendments and corrections to the Fiscal Year 2007 budget.

Motion

Commissioner Peura moved approval of all proposed corrections and adjustments. Commissioner Oitzinger seconded the motion. All voted aye, motion carried.

HCTV – expansion of services

There was Commission concurrence for further discussion and consideration to financially support expanding HCTV's services.

Low Income Utility Assistance Program

Motion

Commissioner Peura moved approval for further discussion and consideration regarding funding \$10,000 for the proposed Low Income Utility Assistance Program. Commissioner Oitzinger seconded the motion.

Discussion

Mayor Smith indicated he would not support the motion. Commissioner Oitzinger spoke in support of the program. Commissioner Peura commented the funding would return to general fund if the program does not come to fruition and urged approval of the funding.

Vote

Motion failed, 2-1 with Smith voting no.

Friendship Center – one time only funding of \$20,000

Public Testimony

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

Holly Kalezyc, Friendship Center Director, 1503 Gallatin Avenue; urged the Commission to support the Friendship Center funding.

Kay Matthews, president of Board of Directors of Friendship Center; urged the Commission to support the funding request.

Marshall Gingery, representing the HCC; spoke in support of the budget and budget process.

There being no further persons wishing to address the Commission, Mayor Smith closed the public hearing.

Comment

City Manager Burton stated usually county and state agencies fund human services but noted it is not unprecedented for the city to approve one-time only funding requests.

Commissioner Peura spoke in support of the proposed funding to the Friendship Center.

Motion

Commissioner Peura moved approval for one-time only funding for the Friendship center. Commissioner Oitzinger seconded the motion. All voted aye, motion carried.

Motion

Commissioner Peura moved approval for a resolution to adopt final budget authorities and annual appropriations, as amended, for fiscal year 2007. Commissioner Oitzinger seconded the motion.

Comment

Mayor Smith and Commissioners Oitzinger and Peura thanked Mr. Gingery for his work throughout the budget process.

Commissioner Oitzinger expressed her disappointment that the Bike-Ped Coordinator position was not approved; she believes it would've been a bootstrapping position that could've helped secure funding for numerous projects. Mayor Smith stated he voted against the proposed Bike-Ped Coordinator position because he believes the funding would be better spent on construction of bike and pedestrian projects.

Vote

All voted aye, motion carried. **Resolution #19381**

Public Communications

PUBLIC COMMUNICATIONS

Jim McHugh, BID/DHI Director; invited the Commission to attend the Downtown Helena Visioning Meeting on June 20, 2006 at 6:30pm in the Civic Center auditorium.

Meetings of Interest

MEETINGS OF INTEREST

The next Administrative Meeting is July 10, 2006 and the next Commission Meeting is July 17, 2006.

Adjournment

There being no further business to come before the Commission, the meeting was adjourned at 8:50p.m.

Mayor James E. Smith

ATTEST:

Clerk of the Commission