

**CITY OF HELENA**  
**REGULAR CITY COMMISSION MEETING**  
**August 20, 2007**  
**6:00 P.M.**

***Time & Place***

A regular City Commission meeting was held on Monday, August 20, 2007 at 6:00 p.m., in the Commission Chambers, 316 N. Park Avenue, Helena, Montana.

***Members Present***

Mayor Pro Tem Oitzinger indicated for the record that Commissioners Cartwright, Peura, and Throssell were present. City Manager Tim Burton, City Attorney David Nielsen and Deputy City Clerk Robyn Brown were present.

***Pledge of Allegiance***

Mayor Pro Tem Oitzinger asked those persons present to please stand and join her in the pledge of allegiance.

***Minutes***

The minutes of the regular City Commission meeting of August 6, 2007 were approved as submitted.

Mayor Smith joined the meeting at this time.

***Proclamation***

PROCLAMATION:

A. Harry (Salty) Payne Day

Mayor Pro Tem Oitzinger read and presented the proclamation to Human Resource Director Payne and wished him well in his retirement. Director Payne spoke about his service with the City of Helena.

***Confirmation of Police Officers***

CONFIRMATION AND INTRODUCTON OF POLICE OFFICERS

A. Confirmation & Introduction of Police Officers Carrie Baker and Loren Mardis

Police Chief McGee gave introduced and gave the background of Officers Baker and Mardis. Chief McGee recommended confirmation of Carrie Baker and Loren Mardis as Police Officers with the Helena Police Department.

Officers Baker and Mardis both addressed the commission and thanked the Commission and Chief McGee for the opportunity to serve on the Helena Police Department.

***Public Comments***

Mayor Smith asked for public comment, none was received.

***Motion***

**Commissioner Cartwright moved approval of the confirmation of Carrie Baker and Loren Mardis as Police Officers with the Helena Police Department.** Commissioner Throssell seconded the motion. All voted aye, motion carried.

B. Introduction of Sergeant John Fosket – Capitol Police Officer

Police Chief McGee introduced Sergeant John Fosket who has been assigned as the State of Montana Capitol Police Officer. Sergeant Fosket expressed his enthusiasm for the new position.

C. Police Department Promotion – Sergeant Pete Callahan

Police Chief McGee introduced Sergeant Pete Callahan who was promoted to the rank of Sergeant in the Helena Police Department on August 12, 2007. Sergeant Callahan expressed his excitement for the promotion.

**Appointments**

APPOINTMENTS:

- A. Airport Authority Commission
- B. Intergovernmental Transit Committee
- C. City/Lewis & Clark County Historic Preservation Commission
- D. City/County Consolidated Planning Board

Mayor Smith asked for Commission concurrence on the following appointments:

**Airport Authority Authority**

Reappointment of Phillip B. Johnson to a first full term on the Airport Authority. Term will begin September 1, 2007 and expire August 31, 2010.

**City-County Planning Board**

Reappointment of Marshall Gingery to a first full term on the City-County Planning Board. Term will begin September 1, 2007 and expire August 31, 2010.

Reappointment of Gus Byrom to the City-County Planning Board. Term will begin September 1, 2007 and expire August 31, 2010.

**Historic Preservation Commission**

Appointment of Ron Cullen to a first term on the Historic Preservation Commission. Term will begin upon appointment and expire June 30, 2010.

Appointment of Dick Alberts to a first term on the Historic Preservation Commission. Term will begin upon appointment and expire on June 30, 2010.

Appointment of Patty Dean to an unexpired term on the Historic Preservation Commission. Term will begin upon appointment and expire on June 30, 2009.

**Intergovernmental Transit Comm.**

Appointment of County Commissioner Andy Hunthausen. The term will begin upon appointment and expires on August 6, 2010.

Public Comment

Mayor Smith asked for public comment, none was received.

**Motion**

**Commissioner Throssell moved approval of the appointments to the Airport Authority Commission, Intergovernmental Transit Committee, City/Lewis & Clark County Historic Preservation Commission and the City/County Consolidated Planning Board.** Commissioner Peura seconded the motion. All voted aye, motion carried.

**Consent Agenda**

CONSENT AGENDA:

- A. Claims
- B. Two-year (FY08 & FY09) Capitol Police Officer agreement
- C. FY08 Helena Housing Authority contract for police officer assigned to Helena Housing properties
- D. FY08 Violence Against Women grant funding award

- E. Amended plat aggregating the south 55 ft. on the north-south, 9-foot wide alley in new Lot 1-A, Block 539, of the Original Helena Townsite; generally located on the north-east corner of Chaucer Street and 3<sup>rd</sup> Street with the property address of 319 Chaucer Street
- F. Resolution establishing angle parking for a portion of Broadway Street right-of-way
- G. Amendment to Memorandum of Understanding for East Valley Bus Service
- H. Final passage of Ordinance No. 3090 for pre-zoning to B-2 (General Commercial) District, prior to annexation, for 5.259 acres; generally located east of Wilkerson Street and south of Tricia Street (the frontage road) and Highway 12 East  
**Ordinance # 3090**

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

**Public Comment**

Mayor Smith asked for public comment, none was received.

**Motion**

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

***Communications***

COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS

Commissioner Cartwright spoke in support of renovations to the old Gaslight Theater, which will now house the Base Camp.

Mayor Smith spoke of the Parks GO Bond and asked for Commission concurrence to allow City Manager Burton to present citizens with information behind the bond and proposed improvements in order to make an informed vote. There was Commission concurrence.

***Report of the City Attorney***

REPORT OF THE CITY ATTORNEY

No report was given.

***Report of the City Manager***

REPORT OF THE CITY MANAGER

City Manager Burton asked retired Major General Gene Prendergast to report on updates to the Veterans Memorial. General Prendergast introduced members of the Lewis & Clark Veterans Memorial Committee in attendance and asked for Commission approval to place flags from the United States Army, Navy, Air Force, Coast Guard, Marine Corps, and a flag for POW-MIA soldiers at the memorial, via a dedication ceremony, on Veteran's Day, November 11, 2007.

There was Commission concurrence to place the above named flags at the Lewis & Clark Veteran's Memorial in Memorial Park.

- A. Introduction of Human Resource Director

City Manager Burton introduced Rae Lynn Nielsen, Human Resource Director, and gave her work history. Ms. Nielsen expressed her excitement to work for the City of Helena.

Manager Burton asked City Engineer Ryan Leland to report on the temporary closure of the Benton Trail. Mr. Leland reported on Friday night a call was received that a portion of the guardrail on Benton

Avenue had collapsed; due to the steepness of the road, the trail has been closed until it can be fixed. Mr. Leland noted there are significant engineering issues related to repair of the guardrail.

**Report from the  
Helena Citizens  
Council**

REPORT FROM THE HELENA CITIZENS COUNCIL

HCC VISTA Martha Eberle reported the HCC did not meet in July and gave an update on September's "Help Helena Shine Day". The next HCC meeting will be held on August 22, 2007 at 7:00pm in City/County Building Room 326.

**Public Hearings**

PUBLIC HEARINGS:

- A. CONSIDER FINAL PASSAGE OF ORDINANCE NO. 3089, AUTHORIZING THE GRANTING OF A FRANCHISE AND THE CONSTRUCTION, OPERATION, REGULATION, AND CONTROL OF A CABLE COMMUNICATION SYSTEM WITHIN THE CITY OF HELENA.

**Staff Report**

City Attorney David Nielsen reported Bresnan Communications is the only cable television provider operating in Helena at this time. Under the authority of the Cable Communications Policy Act of 1984, the city granted a non-exclusive franchise to TCI in 1999 to use city right of way to provide cable television service. Subsequently, through various transfers, that franchise was assigned to Bresnan. The city receives 5% of the gross revenue from cable television services under that franchise agreement. The developer of the Nob Hill Subdivision had the entire subdivision wired with fiber optic cable so that each house could receive telephone, television, and Internet services through one fiber optic cable to the house. The Nob Hill developer contracted with 3 Rivers Telephone Cooperative to provide these services to the homes. Since the Bresnan franchise agreement contains a "favored nations clause" that says if the City gives a more favorable franchise to another party, Bresnan is entitled to the same treatment as 3 Rivers for franchise fees for a cable television franchise.

3 Rivers is requesting the city grant a non-exclusive franchise to 3 Rivers to provide cable television services within the City of Helena. Under the franchise agreement, 3 Rivers would pay the same franchise percentage as Bresnan - 5% and will contribute capital assets to HCTV (PEG channel) in a proportional amount that is greater than Bresnan's contribution.

Attorney Nielsen noted the following substitute provision for the record: *4.2 Capital Contribution and Support for Peg Equipment. The Grantee shall provide for public, educational and governmental access digital IPTV technology valued at approximately \$15,000 to be located at the Helena Civic Television facilities, or their successor. The IPTV technology will be owned and maintained by 3 Rivers Communications for the benefit of HCTV and its viewers of its multiple programming streams.*

Attorney Nielsen recommended approval of final passage of the ordinance and noted it would allow for competition between cable television providers and avoids putting the Bresnan franchise agreement at risk if 3 Rivers is granted more favorable franchise terms.

**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 Cartwright moved approval for final passage of Ordinance 3089, granting a non-exclusive franchise to 3 Rivers Telephone Cooperative to provide cable television services within the City of Helena pursuant to the franchise agreement negotiated with 3 Rivers, including substitute provision 4.2.** Commissioner Peura seconded the motion. All voted aye, motion carried. **Ordinance #3089**

- B. CONSIDER RESOLUTIONS TO LEVY AND ASSESS THE FOLLOWING ANNUAL CHARGES FOR FISCAL YEAR 2008:
- A. STREET LIGHTING DISTRICTS
  - B. TREE PLANTING AND MAINTENANCE DISTRICT
  - C. SPECIAL IMPROVEMENT DISTRICTS (SIDS)
  - D. SIDEWALK IMPROVEMENT PROGRAM

**Commission comment**

Commissioner Cartwright commented on the actual dollar amount of past and proposed increases.

**Staff Report**

Administrative Services Director Tim Magee reported 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.

Director Magee reviewed the following charges:

Street Lighting Districts: Street Lighting district assessments are based upon the anticipated cost of electric utility bills and administrative services.

Tree Planting and Maintenance District: The proposal is to keep the assessment rate the same at \$10 per GEO code or parcel.

Special Improvement Districts: The SID assessments are necessary to cover the annual payments for the outstanding debt.

Sidewalk Improvement Program: The Sidewalk Improvement Program Resolution shows the total amount of annual assessments that will be placed on the tax bills for the 2006 and prior programs.

Director Magee recommended approval of the resolutions and noted state law requires the Commission's approval of the annual assessments. Approval of the resolutions will provide the necessary funding for the annual operation of the districts.

**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 Throssell moved approval of resolutions to levy and assess the following annual charges for fiscal year 2008:**  
**a. Street Lighting Districts - Resolution #19503**  
**b. Tree Planting and Maintenance District - Resolution #19504**  
**c. Special Improvement Districts (SIDs) - Resolution #19505**  
**d. Sidewalk Improvement Program - Resolution #19506**

Commissioner Cartwright seconded the motion.

**Comment** Commissioner Throssell urged change in the way Street Lighting Districts are assessed and encouraged citizens to participate in the Sidewalk Improvement Program.

**Vote** All voted aye, motion carried.

C. CONSIDER A RESOLUTION TO LEVY AND ASSESS AN ANNUAL CHARGE FOR THE FISCAL YEAR 2008 STORM WATER UTILITY.

Director Magee reported 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 Storm Water Utility assessments are currently based on the square footage of impervious area as described in the resolution. A rate increase will be considered of up to or less than 2.5%. There is no change proposed in the method of assessment.

Director Magee recommended approval of the resolution and noted state law requires the Commission's approval of the annual assessments. Approval of the resolution will provide the necessary funding for the annual operation of the district.

**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 Oitzinger moved approval for a resolution to levy and assess annual charges on the Storm Water Utility District with a rate increase of 2.50% for fiscal year 2008.** Commissioner Throssell seconded the motion.

**Comment** Commissioner Peura spoke in support of the rate increase. Commissioner Cartwright cautioned this increase might cause the city to stay behind or even with the national rate of inflation.

**Vote** All voted aye, motion carried. **Resolution #19507**

D. CONSIDER A RESOLUTION TO LEVY AND ASSESS AN ANNUAL CHARGE FOR THE FISCAL YEAR 2008 STREET MAINTENANCE DISTRICT #1.

Director Magee reported 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. Street Maintenance District #1 assessments are based on square footage rates and the type of property as classified in the resolution. A rate increase is proposed of up to or less than 58%.

**Commission comment** Mayor Smith spoke in support of holding discussions on whether or not to include work on curbs and gutters in future street maintenance assessments. There was Commission concurrence to discuss the issue before the next budget cycle.

Discussion was held on the proposed increase including the methodology behind the proposed increase and the lack of public comment on the issue. Commissioner Cartwright stated he believes an increase of 58% is too large for street maintenance and would rather see clean water funded closer to the CCIP goal as it is the most critical element for the city to provide. Commissioner Throssell stated while a higher increase in the Street Maintenance District is warranted; he is uncomfortable with an increase of 58%. Commissioner Peura spoke in support of the increase and explained the reasoning behind the amount of 58%.

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 and assess annual charges on Street Maintenance District #1 with a rate increase of 55% for fiscal year 2008.** Commissioner Cartwright seconded the motion.

Comment

Commissioner Cartwright indicated he would support an increase of 10.62% to reach a 50% funding level in 10 years. Commissioner Oitzinger asked Assistant Public Works Director Phil Hauck to speak on the city's chip/seal projects. He gave an overview of the rise in cost and past funding levels. Commissioner Oitzinger asked Assistant Director Hauck to speak on pothole repair. He explained potholes are mainly due to weather, specifically seasonal freezing and thawing. The city's chip and seal program does help seal the streets and allow for fewer potholes.

Commissioner Peura commented a large increase now makes long-term fiscal sense. Frontloading the funding now would allow the city to begin the increased funding and 20 year replacement schedule sooner. Mayor Smith indicated he would support the motion; however, he would be more comfortable with smaller increases over a period of two to three years.

Vote

Motion failed 2-3 with Commissioners Oitzinger, Cartwright and Throssell voting no.

Comment

Commissioner Cartwright spoke of funding increases in other areas of the transportation budget.

Motion

**Commissioner Cartwright moved approval for a resolution to levy and assess annual charges on Street Maintenance District #1 with a rate increase of 10.62% for fiscal year 2008.** Commissioner Oitzinger seconded the motion.

Comment

Commissioner Throssell indicated he would support the motion but commented he is not comfortable with the way the Street Maintenance District fee is assessed and would like to discuss it in January. Commissioner Peura stated he would support the motion as it gets the city closer to their funding needs. He noted the current and future Commissions will need to increase the street maintenance fee 10% every year for the next 9 years to maintain the funding level goal. Commission Cartwright spoke on the economy, peak oil and climate

change related to street maintenance. Commissioner Oitzinger stated there was a real qualitative difference in the Commission's discussions tonight; the majority of the Commission is ready to look at the assessment methodology to get the funding the city needs.

**Vote**

All voted aye, motion carried. **Resolution #19508**

E. CONSIDER A RESOLUTION TO LEVY AN ASSESSMENT FOR THE HELENA BUSINESS IMPROVEMENT DISTRICT (BID).

Director Magee reported on July 24, 2000, the City Commission passed Resolution #11542, which created the BID for an additional ten years. State law requires City Commission approval of the related assessment to support the district.

The BID recommends the following proposed assessment methodology:

- \$400.00 per property- no change (excluding vacant parcels and parking lots)
- \$0.01 per square foot of land area- no change
- 2.00% of taxable value- no change

**Public Testimony**

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

Jim McHugh, BID Director; urged the Commission to support the assessments.

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

**Motion**

**Commissioner Peura moved approval of the current assessment methodology, as amended, and a resolution to levy an assessment for the City of Helena Business Improvement District for fiscal year 2008, which is no change from fiscal year 2007.**

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

**Resolution #19509**

F. CONSIDER A RESOLUTION ESTABLISHING CHARGES FOR THE COLLECTION AND DISPOSAL OF RESIDENTIAL GARBAGE AND REFUSE IN THE CITY OF HELENA, MONTANA, FOR FISCAL YEAR 2008.

G. 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 2008.

Director Magee stated the Resolution of Commission Intent for the FY 2008 Annual Budget calls for Funding of Essential Services, including:

- Providing annual funding of 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

Therefore, as a result of the Commission's CCIP review, a rate increase up to or less than 2.50% is recommended in fiscal year 2008 for charges for residential and commercial sanitation.

Director Magee recommended approval of the resolutions in order to establish charges for FY 2008.

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 Cartwright moved approval for a resolution to establish charges with a 2.50% rate increase for collection and disposal of residential garbage and refuse in the City of Helena, Montanan for FY 2008.** Commissioner Peura seconded the motion. All voted aye, motion carried. **Resolution #19510**

Motion

**Commissioner Cartwright moved approval for a resolution establishing a rate matrix with a rate increase of 2.50% for service charges for commercial collection and disposal of garbage and refuse in the City of Helena, Montana for FY 2008.** Commissioner Peura seconded the motion. All voted aye, motion carried. **Resolution #19511**

H. CONSIDER A RESOLUTION TO INCREASE WASTEWATER RATES FOR ALL CUSTOMERS OF THE CITY OF HELENA WATER SYSTEM

I. CONSIDER A RESOLUTION TO INCREASE WATER RATES FOR ALL CUSTOMERS OF THE CITY OF HELENA WATER SYSTEM.

Staff Report

Director Magee stated each year the City Commission may adjust water and wastewater rates. The wastewater rates include a recommended rate increase up to or less than 5.31% as a result of the Commission's CCIP review. Water rates include a recommended increase of up to or less than 2.50%. Passage of the rate resolutions will establish increases to fund the water and wastewater operating systems for FY 2008.

Comment

Commissioner Cartwright spoke in support of increasing wastewater rates above the rate of inflation because of the importance of water to our future.

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 Cartwright moved approval for a resolution increasing wastewater rates 5.31% effective November 1, 2007.**  
Commissioner Peura seconded the motion.
- Discussion Commissioner Oitzinger spoke of the importance of the county's proposed septic system maintenance program and indicated she would support the motion. Commissioner Peura indicated he would support the increase and noted citizens have the opportunity to reduce their charges for water and wastewater by reducing their consumption.
- Vote** All voted aye, motion carried. **Resolution #19512**
- 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.
- Comment Commissioner Throssell stated he would like to review the water fee structure to encourage conservation. Commissioner Cartwright urged the city to invest in conservation efforts such as low-flow toilets.
- Motion** **Commissioner Peura moved approval for a resolution increasing water rates 2.5% effective November 1, 2007.**  
Commissioner Cartwright seconded the motion. All voted aye, motion carried. **Resolution #19513**
- J. CONSIDER A RESOLUTION TO LEVY ADDITIONAL PROPERTY TAX REVENUE FOR FISCAL YEAR 2008.
- Director Magee reviewed the following:
- ✓ 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 3.06% average increase. Therefore the City is allowed and is proposing a 1.53% property tax levy increase.
  - ✓ 15-10-420 (1)(b), MCA allows the City to carry forward it's 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 1.53%, or \$81,517;
  2. Tax revenue authorized but not levied in the prior year totaling \$-0-;
  3. Increase in group benefit premiums of \$118,464; and,
  4. Projected State Personal Property Tax Reimbursement decrease of \$16,200.

These increases total \$216,363, or 3.41% of the \$6,357,939

in property tax revenue levied in the prior year. It is anticipated the city will receive \$310,841 from newly taxable property, so the total increase will be \$582,453. Director Magee recommended approval of the resolution.

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 budget additional tax levy revenue.** Commissioner Cartwright seconded the motion. All voted aye, motion carried. **Resolution #19514**

***Annual Tax Levy***

CONSIDER A RESOLUTION PROVIDING FOR THE ANNUAL TAX LEVY IN MILLS FOR FISCAL YEAR JULY 1, 2007 THROUGH JUNE 30, 2008. ACTION: APPROVE, TABLE OR DENY A RESOLUTION.

As required by MCA 15-10-203 the city held a public hearing before passing a resolution to budget additional property tax revenue. The City Commission adopted a resolution to budget additional property tax revenue after the public hearing and the Commission has adopted the final budget. MCA 7-6-4036 requires the City to fix the tax levy by the later of the 2nd Monday in August or within 45 calendar days after receiving certified taxable values. Certified taxable values were received August 7, the tax levy deadline is September 21.

Under MCA 2-9-212, Group Health Insurance tax levies may include annual increases for insurance premiums. However, that tax increase must be levied or the authority to levy in future years is lost. The city has annually levied for Group Health Insurance, including annual premium increases. The Fiscal Year 2008 budget provides for \$798,647, or 15.72 mills, to be levied for group health insurance premiums in 2007 for FY 2008, including a premium increase of \$118,646, as allowed under MCA 2-9-212.

The Fiscal Year 2008 budget again provides for the full authorized tax levy to be levied.

Newly taxable property revenue was estimated/budgeted at \$267,705. Certified values will provide new taxable property revenue of \$310,841, a \$43,136 increase. This will help offset the FY 2008 General Fund budgeted deficit of \$139,995.

Director Magee recommended approval of the resolution.

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 recommended exclusion of the CPI-U inflation factor of 1.53% or \$81,517 for the following reasons: the original budget submitted by staff included a \$4.09 million general fund ending balance. Since that time, \$213,000 of general fund was unspent in 2007. The Commission added an additional \$159,000 of expenditures, not recommended by staff. Finally, according to the new Department of Revenue property valuations there is an additional \$43,000 of projected revenue based on new property. Based on these revisions, the ending fund balance would be \$4.188 million dollars instead of the original \$4.09

million dollars. Commissioner Peura stated based on these revisions, the city does not need to take the additional \$81,517 this year. State law allows the city to bank this levy for the future when revenues may not be as high as they are today.

Discussion

Director Magee confirmed the exclusion recommended by Commissioner Peura would result in 1.6 mills. City Attorney Nielsen recommended Section 2 of the resolution be stricken. Director Magee concurred.

Motion

**Commissioner Peura moved approval for the annual mill levy resolution excluding 1.6 mills of authorized levy authority, and amend the resolution by striking Section 2.** Commissioner Throssell seconded the motion.

Comment

Commissioner Throssell indicated he would support the motion but noted it does not represent a large budget adjustment. Commissioner Cartwright indicated he would support the motion and stated citizens are getting more services for less than the rate of inflation. Mayor Smith indicated he would not support the motion. Commissioner Oitzinger concurred with Mayor Smith's comments and noted she would not vote in support of the motion.

Vote

Motion carried 3-2, with Mayor Smith and Commissioner Oitzinger voting no. **Resolution #19515**

Comment

Commission Cartwright added his payments to the city increased an estimated \$40.00 as a result of tonight's budget hearings.

**Public  
Communications**

PUBLIC COMMUNICATIONS

There were no public communications given.

**Meetings of  
Interest**

MEETINGS OF INTEREST

The next Administrative Meeting is Wednesday, September 5, 2007 and the next Commission Meeting is Monday, September 10, 2007. The City/County Joint Work Session will be held on Thursday, September 6, 2007 and there will be a special City Commission Meeting with the Zoning Commission on Monday, August 27, 2007.

**Adjournment**

There being no further business to come before the Commission, the meeting was adjourned at 8:55 p.m.

\_\_\_\_\_  
Mayor James E. Smith

ATTEST:

\_\_\_\_\_  
Clerk of the Commission