

## ADMINISTRATIVE MEETING

August 17, 2016

4:00 p.m. to 6:00 p.m.

Room 326

### AGENDA

1. **Call to order, introductions, opening comments**
2. **August 3, 2016 Administrative Meeting summary**
3. **Commission comments, questions**
  - Upcoming appointments
4. **City Manager's Report**
  - Lawrence and Fuller Intersection Discussion
5. **Department discussions**
  - Administrative Services**
    - Utility Rates, Levy Discussion
    - **Consensus Direction to Manager:**
  - Public Works**
    - Capital Area Transit Update (No Materials Attached)
    - **Consensus Direction to Manager:**
6. **Committee discussions**
  - a) Audit Committee, City-County Board of Health, L&C County Mental Health Advisory Committee, Montana League of Cities & Towns  
– Mayor Jim Smith
  - b) Mayor Pro-Tem, Audit Committee, Helena Chamber of Commerce Liaison, Information Technology Committee, Transportation Coordinating Committee  
– Commissioner Dan Ellison
  - c) ADA Compliance Committee, Audit Committee, City-County Parks Board , Civic Center Board  
– Commissioner Rob Farris-Olsen
  - d) Board of Adjustment, City-County Administration Building (CCAB), Non-Motorized Travel Advisory Board, Transportation Coordinating Committee  
– Commissioner Andres Haladay
  - e) Business Improvement District/Helena Parking Commission ,Montana Business Assistance Connection, Public Art Committee  
– Commissioner Ed Noonan
  - f) Helena Citizens Council
7. **Review of agenda for August 22, 2016 Commission meeting**
8. **Public comment**
9. **Commission discussion and direction to City Manager**
10. **Adjourn**

*City of Helena, Montana*

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316 North Park, Avenue, Room 440, Helena, MT 59623

*City of Helena, Montana*

**Date** August 11, 2016

**TO:** Ron Alles, City Manager

**FROM:** Glenn Jorgenson, Administrative Services Director



**Subject:** Utility Rates & Mill Levy Discussion

Staff will present agenda items for each rate resolution at the August 22<sup>nd</sup> regular commission meeting. Staff will also have a resolution under the regular items (no public hearing required) to adopt the mill levies for the general fund and general obligation bond funds.

For the utility rate resolutions staff is providing a final opportunity before the public hearings for the Commission to discuss the recommendations further or ask for additional information. Staff is recommending the rates as presented in the resolutions of intention. Attached is the estimated cost increase for residential customers for each rate we are recommending an increase.

The mill levy that supports the general fund is adjusted to generate the same amount of revenue as in the prior year, increased by ½ of the last three years average CPI-U, plus new growth. The average CPI-U for the last three years is .5%. Therefore, the average increase in tax revenue from existing properties will be .5%.

The City also received \$2,360,660 in additional taxable valuation from new growth. This is approximately twice the annual average of new growth over the last five years and will increase our general fund tax collections by \$363,943 if the full mill levy is adopted. This growth will help cover our rising costs and unfunded capital needs for general fund departments such as police, fire, and parks. This will also help balance the fiscal year 2017 budget that was \$442,075 out of balance.

Mill levies are set for the general obligation bonds in an estimated amount equal to the debt service needs only. Levy changes are:

	FY17	FY16	Change
<u>General Fund</u>			
MCA 15-101-420 Levy	127.01	124.57	2.44
Medical Insurance Levy	27.16	25.84	1.32
Total General Fund	154.17	150.41	3.76
<u>GO Bond Issues</u>			
GO Series 2009 - Open Space/Fire Apparatus	4.97	6.32	(1.35)
GO Series 2008 - Parks Improvements	8.18	8.03	0.15
Total Bond Issue Mill Levies	13.15	14.35	(1.20)
Total Mills & Change	167.32	164.76	2.56

Attachments: Residential Impact of Rate Increases

*City of Helena, Montana*

## Residential Impact of Rate Increases

		<b>FY17</b>		<b>Total Increase</b>
<b>Water:</b>				
Computed Preliminary Rate Increases		6.43%		
 <u>Current Rates</u>				
Residential Base/Month	\$ 2.62		\$ 5.00	
Residential Usage Rate (11 units)	\$ 2.97			
Residential Blended Rate (11 units)*			\$ 2.96	
Total Residential Monthly Rate	\$ 5.59		\$ 7.96	
 Average Monthly Charge (0-8 units)	 \$ 35.29		 \$ 37.56	
Average Monthly Charge (9-11 units)				
Monthly Increase		\$ 2.27		\$ 2.27
Annual Increase		\$ 27.24		\$ 27.24

\* The City Commission is considering a rate of \$2.95 for 0-8 units and a rate of \$3.00 for 9-15 units. If a typical residential property uses 11 units, \$2.96 would be the blended rate for this usage amount.

		<b>FY17</b>		<b>Total Increase</b>
<b>Wastewater:</b>				
Computed Preliminary Rate Increases		5.89%		
 <u>Current Rates</u>				
Residential Base/Month	\$ 6.71		\$ 7.11	
Residential Usage Rate	\$ 2.74		\$ 2.91	
Total Residential Monthly Rate	\$ 9.45		\$ 10.02	
 Average Monthly Charge (7 units)	 \$ 25.89		 \$ 27.48	
Monthly Increase		\$ 1.59		\$ 1.59
Annual Increase		\$ 19.08		\$ 19.08

		<b>FY17</b>		<b>Total Increase</b>
<b>Streets:</b>				
Computed Preliminary Rate Increases		7.00%		
 <u>Current Rates</u>				
Annual Residential Charge	\$ 140.37		\$ 150.20	
 Residential Charge per Month	 \$ 11.70		 \$ 12.52	
Monthly Increase		\$ 0.82		\$ 0.82
Annual Increase		\$ 9.83		\$ 9.83

<b>Stormwater:</b>		<b>FY17</b>	<b>Total Increase</b>
Computed Preliminary Rate Increases		10.00%	
<u>Current Rates</u>			
Annual Residential Minimum Charge	\$ 31.60	\$ 34.76	
Average Residential Impervious Charge	\$ 9.72	\$ 10.70	
	\$ 41.32	\$ 45.46	
Residential Charge per Month	\$ 3.44	\$ 3.79	
Monthly Increase		\$ 0.35	\$ 0.35
Annual Increase		\$ 4.14	\$ 4.14

<b>Residential Solid Waste</b>		<b>FY17</b>	<b>Total Increase</b>
Computed Preliminary Rate Decrease		-5.00%	
<u>Current Rates</u>			
Annual Residential Charge	\$ 189.14	\$ 179.68	
Residential Charge per Month	\$ 15.76	\$ 14.97	
Monthly Decrease		\$ (0.79)	\$ (0.79)
Annual Decrease		\$ (9.46)	\$ (9.46)

<b>Open Space:</b>		<b>FY17</b>	<b>Total Increase</b>
Computed Preliminary Rate Increase		27.00%	
<u>Current Rates</u>			
Annual Residential Base Charge	\$ 14.00	\$ 17.78	
Annual Residential Impervious Charge	\$0.00221	\$0.00281	
Residential Average Charge per Year (Includes average impervious charge)	\$ 1.32	\$ 1.68	
Monthly Increase		\$ 0.36	\$ 0.36
Annual Increase		\$ 3.78	\$ 3.78

<b>Urban Forest</b>		<b>FY17</b>	<b>Total Increase</b>
Computed Preliminary Rate Increase		5.00%	
<u>Current Rates</u>			
Annual Residential Charge	\$ 20.00	\$ 21.00	
Residential Charge per Month	\$ 1.67	\$ 1.75	
Monthly Increase		\$ 0.08	\$ 0.08
Annual Increase		\$ 1.00	\$ 1.00
<b>TOTAL MONTHLY INCREASE</b>			<b>\$ 4.68</b>
<b>TOTAL ANNUAL INCREASE</b>			<b>\$ 55.61</b>