

## SUMMARY OF ADMINISTRATIVE MEETING

August 17, 2016 – 4:00 p.m.

Room 326, City-County Building

316 N. Park Avenue, Helena

**1. Call to order, introductions, opening comments** – Mayor Smith called the meeting to order. Commissioners Haladay and Noonan were present. Commissioners Ellison and Farris-Olsen were excused. Staff present was: Acting City Manager Troy McGee; Executive Assistant Sarah Elkins; City Attorney Thomas Jodoin; Assistant City Attorney Iryna O'Connor; Administrative Services Director Glenn Jorgenson; Budget Manager Robert Ricker; Community Development Director Sharon Haugen; Fire Chief Mark Emert; Public Works Director Randall Camp; City Engineer Ryan Leland; Engineer David Knoepke; Transit Supervisor Steve Larson; Human Resource Director James Fehr; HR Benefits Specialist Ciara Krantz; Community Facilities Director Gery Carpenter and City Clerk Debbie Havens.

Others in attendance included: HCC Representative Gary Spaeth.

**2. August 3, 2016 Meeting Summary** – The August 3, 2016 administrative meeting summary was approved as submitted.

**3. Commission comments, questions –**

**Board Appointments** – Mayor Smith is recommending the following board appointment:

ADA Compliance Committee

Appointment of Brian Coplin, citizen-at-large representative, on the ADA Compliance Committee. First term will begin upon appointment and expire September 1, 2018.

**Commission Comments** – Commissioner Noonan noted he received an email regarding dogs at Farmers Market. Acting Manager McGee noted he and the City Attorney's office have discussed this and noted the area is public right of way. Therefore the position of staff is the dogs are allowed because Farmers Market is located on public right of way. Acting Manager McGee stated it may be time to look at the ordinance again.

Mayor Smith reported he plans on traveling to Washington DC, September 13-15 and the purpose of the trip is to discuss "cost of compliance". The message is we should be doing the regulations; however, financial assistance would be helpful.

**4. City Manager's Report**

HR Director Fehr introduced Ciara Krantz, HR benefits specialist. Mayor Smith welcomed Ms. Krantz.

Acting Manager McGee referred the commission to the public service announcement on the annual chip seal maintenance project.

**Lawrence and Fuller Intersection Discussion** - City Engineer Leland gave the history of why the traffic signals were removed from the intersection. There are several streets within the city, including 11<sup>th</sup> Avenue, Custer Avenue and Cruse Avenue that are controlled by MDT and not the city. If there are issues with those specific streets, the complaints should be referred to MDT.

City Engineer Leland also discussed how the determination to install traffic control at any intersection is determined. There are standards staff has to follow when installing and removing traffic control.

Engineer Knoepke noted the downtown ADA ramp project brought this intersection to the attention of city staff. The signal poles were in the way of installing the ramps and staff determined the traffic lights could be removed. At this time, MDT has not released the project back to the city; once that happens, there will be improvements made for both vehicular and pedestrian traffic. He also spoke on the criteria used when determining when to remove a traffic control device.

Commissioner Noonan clarified the pedestrian crossing lines will be re-done once the project is released from MDT. Staff concurred.

**5. Department Discussions:**  
**Administrative Services**

**Utility Rates, Levy Discussion** – Administrative Services Director Jorgenson stated 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. Listed below 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

Administrative Services Director Jorgenson clarified 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 approximately \$463,000. Commissioner Haladay asked with the clarification, with the city receiving \$463,000 instead of the \$363,000, based on the budget that was adopted, we would be showing a \$100,000 surplus. Director Jorgenson concurred; he clarified from the time the mills are certified until we actually we bill; the city usually loses between \$65,000 and \$100,000 with the adjustments that are made. Currently we are about breaking even.

**Residential Impact of Rate Increases**

	FY17	Total Increase
<b>Water:</b>		
Computed Preliminary Rate Increases	6.43%	

Current Rates

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	
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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.

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<b>Wastewater:</b>	<b>FY17</b>	<b>Total Increase</b>
Computed Preliminary Rate Increases	5.89%	

Current Rates

Residential Base/Month	\$ 6.71	\$ 7.11	
Residential Usage Rate	\$ 2.74	\$ 2.91	
Total Residential Monthly Rate	\$ 9.45	\$ 10.02	
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Average Monthly Charge (7 units)	\$ 25.89	\$ 27.48	
Monthly Increase		\$ 1.59	\$ 1.59
Annual Increase		\$ 19.08	\$ 19.08

<b>Streets:</b>	<b>FY17</b>	<b>Total Increase</b>
Computed Preliminary Rate Increases	7.00%	

Current Rates

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%	

Current Rates

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%	

Current Rates

Annual Residential Charge	\$ 189.14	\$ 179.68
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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%	

Current Rates

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%	

Current Rates

Annual Residential Charge	\$ 20.00	\$ 21.00
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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>
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**TOTAL ANNUAL INCREASE**

**\$ 55.61**

Commissioner Haladay stated he will not be at the August 22<sup>nd</sup> meeting; however, he would encourage the commission to adopt the rates as proposed. He recognized the excellent job city staff did to bring these rates forward.

Mayor Smith noted he has discussed these increases on several occasions and he has not heard any opposition to the proposed rates.

**Consensus Direction to Manager – No direction given; items are on the August 22<sup>nd</sup> city commission meeting agenda.**

**Public Works**

**Capital Area Transit Update** – Public Works Director Camp gave an update on what staff has accomplished to implement the second fixed route.

HATS Supervisor Larson stated staff is very close to implementing the second fixed route. The contractor is working on the ADA bus stops. He then handed out pictures of the current transit buses that will be used on the fixed routes. He also discussed the upgrades of using electronic devices for the users. He announced the city is scheduled to receive a new fixed route bus sometime this fall.

Staff continues to work on the new web site for the transit system; working with the para-transit software. Citizens can now purchase a bus pass from the web page and access the information and application on the Para Transit Service. Supervisor Larson recognized and thanked Sarah Elkins for her work on developing the two new forms.

The biggest challenge is getting the second fixed route in place within the 30-minute maximum time limit. There are several traffic lights that are very long and this impacts the 30-minute time limit.

Supervisor Larson handed out the new pamphlet and reviewed the information that is provided. These will be available approximately three weeks prior to the implementation of the two fixed routes.

The one unknown is the advertising plan; staff will continue to work on the proposal.

Mayor Smith thanked Supervisor Larson for his work on the implementation of the two fixed routes. Commissioner Noonan suggested holding a big event and offer free rides, when the routes are kicked off; once people ride it they have a better sense of the system.

Supervisor Larson spoke of the goal to get more riders using the fixed routes and encouraging employees to use the service.

Mayor Smith asked for an approximate date on when the two routes will be up and running. Supervisor Larson stated he anticipates the end of September or the first week of October.

Supervisor Larson noted the HATAC will meet on August 18<sup>th</sup> to review the new by-laws. Staff will provide the commission a copy of the draft by-laws.

**6. Committee discussions**

- a) Audit Committee, City-County Board of Health, L&C County Mental Health Advisory Committee, Montana League of Cities & Towns – No report given.
- b) Audit Committee, Helena Chamber of Commerce Liaison, Information Technology Committee, Transportation Coordinating Committee – No report given.
- c) ADA Compliance Committee, Audit Committee, City-County Parks Board, Civic Center Board – No report given.
- d) Board of Adjustment, City-County Administration Building (CCAB), Non-Motorized Travel Advisory Board, Transportation Coordinating Committee – Commissioner Haladay reported the TCC approved the urban funds for Custer Avenue.
- e) Business Improvement District/Helena Parking Commission, Montana Business Assistance Connection, Public Art Committee – Commissioner Noonan reported the Montana State Lands Board approved the exchange of the armory. He noted MBAC cannot take ownership of the armory until Carroll is committed to purchasing the building. There are further discussions prior to anything being finalized.
- f) Helena Citizens Council –HCC Representative Spaeth reported the HCC has a new coordinator, Mary Vandenbosch. The HCC has 25 active members. Mr. Spaeth noted he did receive several calls regarding the increase in water rates. The feedback he received was the

water bill insert was confusing. He again, asked the commission to consider how the HCC can be more involved on current city issues.

The HCC Executive Committee has approved the expenditure of \$2,800 for district block parties. He noted the neighborhood party held in the 6<sup>th</sup> Ward was very successful. Acting Manager McGee complimented the event. The next event for the 6<sup>th</sup> Ward area is Thursday, August 18<sup>th</sup>.

**7. Review of agenda for August 22, 2016** – Commissioner Haladay referred to the resolution of annexation for the Trinity Development and expressed concerns with the commission approving annexation with the proposed agreement for satisfaction of annexation conditions and the status of conditions for annexation. The applicant is requesting deferral of essential infrastructure, specifically the dedication of right-of-way for Sanders Street and Jordan Drive. Trinity is agreeing to a waiver of an SID which includes installing Jordan Drive and Sanders Street to city collector standards. He asked does the creation of an SID have the ability to actually improve the road if Trinity chooses not to. Attorney Jodoin stated he has skepticism about forming an SID to improve an easement.

Commissioner Haladay noted the proposed 24' paved service is smaller than any other paved service within the city limits. Engineer Leland noted if parking is allowed on both sides of Sanders Street, that is correct.

Commissioner Haladay stated a local road is to carry 1,500 vehicles; however, the proposal for Sanders Street is 3,000. If the commission approves this Monday night, they are approving a sub-standard road. Engineer Leland stated the proposal is below the standard. The proposal is to add 2,200 vehicle trips to Sanders Street and Jordan Drive.

Commissioner Haladay noted the road will be a private road and the city will not plow it, he asked who would plow it. Attorney Jodoin stated he would assume the property owner will plow it. Commissioner Haladay asked if the city would hold any liability by approving a road that is below city standards. Attorney Jodoin stated he concurs with the concerns of Commissioner Haladay. He noted staff has concerns, the agreement before the commission Monday night is the deferral agreement.

Commissioner Haladay stated he continues to believe this project is a problem. He noted staff's recommendation is not for approval, it is for to approve, table or deny. Commissioner Haladay stated Custer Avenue just had 10-million dollars in improvements; however, with the approval of the deferral, there isn't an agreement to make sure Sanders Street will be built to city standards.

Attorney Jodoin asked if engineering is reviewing and approving the proposed private road. Engineer Leland stated staff has not approved any infrastructure plans.

Mayor Smith noted there isn't a timeframe on when Phase Two will be built and all of the infrastructure will be installed. He continues to be troubled with the submitted proposal and asked what other infrastructure is being deferred. Community Development Director Haugen and Attorney Jodoin stated the applicant is requesting all off-site improvements and all infrastructure that is not needed for Phase One, be deferred.

Mayor Smith asked what the implications of a tabling motion are. Attorney Jodoin stated the impact would be the construction schedule would be delayed. The plan is to start next week or very soon afterwards.

Commissioner Haladay stated it is the responsibility of the city commission to make a determination that it is in the best interest of the city. The developers are recognizing that they either cannot or do not want to meet city standards.

Commissioner Noonan stated these comments give him pause; he thought there would be agreements in place that would assure the development would meet city standards. He is not comfortable approving the deferral of building Sanders Street to city standards.

Staff at this time, is not recommending approval. Director Haugen reviewed the criteria staff used when making the decision not to recommend approval. This is the first time a developer has requested so many deferrals. Staff is bringing it forward at the request of the developer and so the developer would know if the commission would like to approve the agreement.

Commissioner Noonan asked if these items could be removed from the agenda. Attorney Jodoin noted the items cannot be removed from consideration as they have already been publicized; however, the commission could table the items. Staff will contact the developers and relay the summary of this discussion and ask if the developer wants it tabled. Commissioner Noonan asked staff to contact the developer.

Commissioner Noonan stated he took staff's original recommendation to approve this as a positive; however, with the new information and all the deferrals being requested, he will be reconsidering his position. Director Haugen noted staff does not believe this is a bad project; however, there are lots of deferrals being requested.

8. **Public Comment** – No public comment received.
9. **Commission discussion and direction to the City Manager** – No discussion held.
10. **Adjourn** – Meeting adjourned at 5:30 p.m.