

CITY OF HELENA
CITY COMMISSION MEETING
AUGUST 8, 2001
6:00 P.M.

- Time & Place** A special City Commission meeting was held on Wednesday, August 8, 2001, at 6:00 p.m., in the Commission Chambers, City-County Building, 316 N. Park Avenue, Helena, Montana.
- Members Present** Mayor Morrison indicated for the record that Commissioners Groepper, Netschert, Oitzinger and Smith were present. City Manager Tim Burton, City Attorney David Nielsen and Clerk of the Commission Debbie Havens were present.
HCC representative was Ellen Engstedt.
- Pledge of Allegiance** Mayor Morrison asked those persons present to please stand and join him in the pledge of allegiance.
- Communications** COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS
There was no communications/proposals from commissioners.
- City Attorney** REPORT OF THE CITY ATTORNEY
City Attorney David Nielsen had no items to report on.
- City Manager** REPORT OF THE CITY MANAGER
City Manager Tim Burton had no items to report on.
- Public Communications** PUBLIC COMMUNICATIONS
There were no persons present wishing to address the commission.
- Public Hearings** PUBLIC HEARINGS
A. CONSIDER A RESOLUTION APPROVING THE BUSINESS IMPROVEMENT DISTRICT'S WORK PLAN AND ANNUAL BUDGET FOR FY 2002.
- Staff Report** Robert Ricker, Administrative Services, reported state law (7-12-1132) requires the city commission hold a public hearing on the BID's work plan and budget for the ensuing year. Mr. Ricker referred the commission to copies of the proposed budget and work plan attached to his staff report.
Mr. Ricker recommended approval of the resolution.
- Public Testimony** Mayor Morrison declared the public portion of the hearing opened and called for any persons wishing to address the commission.
There being no persons wishing to address the commission, the public portion of the hearing was closed.
- Motion** Commissioner Oitzinger moved approval of a resolution approving the Business Improvement District's Work Plan and Annual Budget for fiscal year 2002. Commissioner Groepper seconded the motion. All voted aye, motion carried. Resolution 11665

- B. CONSIDER A RESOLUTION APPROVING THE PROPOSED BUDGET OF THE HELENA PARKING COMMISSION FOR FISCAL YEAR 2002.

Staff Report

Robert Ricker, Administrative Services, reported state law (7-6-4259) requires the city commission to approve the budget of the Helena Parking Commission. Mr. Ricker referred the commission to copies of the proposed budget attached to the staff report.

Mr. Ricker recommended approval of the resolution.

Public Testimony

Mayor Morrison declared the public portion of the hearing opened and called for any persons wishing to address the commission.

There being no persons wishing to address the commission, the public portion of the hearing was closed.

Motion

Commissioner Oitzinger moved approval of a resolution approving the budget of the Helena Parking Commission for fiscal year 2002.

Commissioner Groepper seconded the motion. All voted aye, motion carried.
Resolution 11666

- C. CONSIDER A RESOLUTION APPROVING THE PROPOSED BUDGET OF THE SUPPORT SERVICES DIVISION FOR FISCAL YEAR 2002

Staff Report

Robert Ricker, Administrative Services, again stated state law requires the city commission to approve the budget of SSD. He noted the proposed budget has changed from that originally submitted in May. The FY02 expenditures have been revised for the proposed changes to the records and dispatch budget. An itemization of the changes were outlined in the staff report.

Public Testimony

Mayor Morrison declared the public portion of the hearing opened and called for any persons wishing to address the commission.

There being no persons wishing to address the commission, the public portion of the hearing was closed.

Motion

Commissioner Groepper moved approval of a resolution approving the budget of the Support Services Division for fiscal year 2002.

Commissioner Smith seconded the motion. All voted aye, motion carried.
Resolution 11667

- D. CONSIDER A RESOLUTION APPROVING THE PROPOSED BUDGET OF THE 9-1-1 FUND FOR FISCAL YEAR 2002

Staff Report

Robert Ricker, Administrative Services, referred the commission to his memo and attachments. The proposed budget changed from that originally submitted in May for the following items:

- The 911 and E 911 funds have been consolidated into this fund resulting in a total increase by the amount of the initial E 911 proposed budget of \$56,448
- A \$1,000 request for a battery backup system for dispatcher radios has been proposed to the FY 02 amount
- Due to a typographical error, the budget request for the Public Education line was understated by \$500 for the May submission. A \$500 increase has been incorporated into this proposed budget.

Mr. Ricker recommended approval of the resolution.

Commissioner Smith asked if the dispatchers are required to take 40 hours training and if so, is there adequate funding. Police Chief McGee noted there are funds in for training.

Public Testimony

Mayor Morrison declared the public portion of the hearing opened and called for any persons wishing to address the commission.

There being no persons wishing to address the commission, the public portion of the hearing was closed.

Motion

Commissioner Smith moved approval of a resolution approving the proposed budget of the 9-1-1 Fund for fiscal year 2002. Commissioner Groepper seconded the motion. All voted aye, motion carried. **Resolution 11668**

E. CONSIDER THE CITY OF HELENA'S PRELIMINARY BUDGET AND RECOMMENDED ADJUSTMENTS, FISCAL YEAR 2001-2002

Staff Report

Robert Ricker, Administrative Services, reported City Manager Burton presented the preliminary budget to the city commission on July 9, 2001. Staff prepared a budget packet, which incorporated a number of proposed changes to the preliminary budget.

As a result of the work session, no further changes have yet been proposed, however, the following items are adjustments that have been incorporated into the proposed budget. In order to adhere to state law regarding the allowable amount the general fund may contribute to the capital improvement program, the general fund capital improvement transfer amount was reduced by \$193,175 to \$269,459. A \$12,000 contract provision increase for legal services for the public defenders was overlooked on the proposed changes from the August 1 work session and was inadvertently left out. This adjustment has been added to the City Court proposed budget. Also, due to a correction entry for interest earnings between the Support Services Division (Fund 219) and the general fund that wasn't reflected in the August 1 work session materials, interest revenues for the general fund at June 30, 2002 has been reduced by \$3,406.

The resulting net cash increase of \$177,769 brings the projected cash balance for the general fund at June 30, 2002, to \$2,322,900--or \$218,212 in excess of the amount needed to maintain a positive cash balance as well as maintain a \$250,000 desired reserve level (assuming no savings) In other words, approximately \$186,500 in expenditures could be added and still achieve our desired cash balance. However, as you have noted, we have to keep in mind that there are various financial pressures that will impact the city's general fund in future. These include, but are not limited to the end of federal grant funding for the School Resource Officer (SRO) program, increasing health insurance costs, and the increased costs associated with adherence to the market-based pay plan if the commission so chooses.

On the other hand, this brings the difference between budgeted revenues (\$10,454,041) and budgeted expenditures (\$11,001,740) to a negative \$547,699.

Factoring in our typical \$300,000 in either savings or additional revenue, expected expenditures will exceed expected revenues by \$247,699.

Mr. Ricker noted the public hearing will be continued until Monday, August 13, 2001.

Public Testimony

Mayor Morrison declared the public portion of the hearing opened and called for any persons wishing to address the commission.

There being no persons wishing to address the commission, **the public portion of the hearing was closed.**

Discussion

Mayor Morrison noted the commission members have prepared several amendments for this meeting. He noted he will ask each commission member to make a motion on his or her amendments.

Motion

Commissioner Oitzinger moved to transfer \$10,000 from the Legislative Services/Commission (fund 100) contract payments – New Business Promotions to the City Manager (fund 100) contract payments with \$5,000 designated for the East Helena Economic Development Study and \$5,000 for Economic Promotional materials. Commissioner Smith seconded the motion. All voted aye, motion carried.

Motion

Commissioner Netschert moved to decrease the Contingency Fund by \$10,000 and increase Parks Department/Weed Control (fund 239) contract payments by \$10,000 and ask staff to look at contracting this service out to private businesses. Commissioner Groepper seconded the motion. All voted aye, motion carried.

Motion

Commissioner Groepper moved to reduce office supplies in the commission budget (fund 100) by \$500 and allocate those funds to create an endowment for open space maintenance. Commissioner Oitzinger seconded the motion. All voted aye, motion carried.

Motion

Commissioner Netschert moved to decrease the Public Works/Solid Waste – Residential (fund 540) contract payments – tipping fees by \$2,000 and add \$2,000 to the contract payments for a recycling efficiency study to be conducted by an outside contractor. Commissioner Groepper seconded the motion. All voted aye, motion carried.

Commissioner Groepper noted that his original intent was to propose an amendment to reduce the office supplies line items in six departments. However, the definition of office supplies has changed and smaller equipment is also included in the office line item. To avoid making cuts to a specific line item, Commissioner Groepper moved the following:

Motion

Commissioner Groepper moved to reduce the following M&O budgets as follows:

**City Manager - \$1,800
Administrative Services - \$2,500
Parks Administrative Services - \$1,000
Parks Maintenance - \$3,500
Public Works Administration - \$4,000
Engineering Division - \$3,000**

The total amount is \$15,800 and it is at the discretion of the city manager to adjust the M&O line items accordingly and set priorities.

Commission Smith seconded the motion. All voted aye, motion carried.

Commissioner Netschert noted that during the budget discussion, an area of concern was within the proposed sidewalk program. The city has budgeted \$4.50 per square foot. He stated he called several contractors and they are charging anywhere from \$2.50 to \$3.50 per square foot.

For discussion purposes, Commissioner Netschert stated it is his intent to decrease the Community Transportation Enhancement Program (Public Sidewalk Program) account to encourage staff to review the bidding documents to ensure better accountability.

Commissioner Groepper asked Commission Netschert for clarification on his intention, it is not to diminish the effort; it is to get the effort more cost effective. Commissioner Netschert concurred.

Commissioner Smith stated he understands the concerns, however, if the bids do not come in lower, then the amount of identified sidewalks would have to be reduced to make up the cost. Mayor Morrison noted if the bids were to come in higher, the commission would have the option to consider using contingency funds.

City Manager Burton stated he understands the intent to lower the unit cost, however, there is a possibility the amount of sidewalks could be reduced. Mr. Burton noted another approach would be to bid the sidewalks out and then have commission approve of the bid. Mayor Morrison stated the commission approves a lot of budget amendments. Is there a reason why if the bids came in higher than anticipated, a budget amendment couldn't be requested? City Manager Burton noted staff could come back for a budget amendment. At this time, staff does not have a complete proposal for the installation of sidewalks. The amount budgeted would allow staff to prepare a firm proposal for commission consideration.

Commissioner Netschert asked if the entire amount being requested is allocated and not all the money is used, could the money be reallocated to other CTEP projects? City Manager Burton noted he believes the money could be reallocated. He did caution the commission the CTEP process takes time to do.

Commissioner Smith stated he will not support the motion, sidewalks are too important not to move forward with the project. Commissioner Groepper suggested instead of cutting the total budget amount, increase the lineal feet by 20%. City Manager Burton stated that would work, it's a goal for staff to work towards.

Commissioner Netschert stated he appreciates the suggestion, however, he is reluctant to agree to 20% more sidewalks than what is already being proposed. He noted with the discussion tonight, he is comfortable the city manager recognizes his concerns and will bring the bidding documents to the commission prior to sending them out.

Motion

Commissioner Groepper moved to reduce the City EDA grant match (fund 100) by \$1,862 from \$5,587 to \$3,725 contingent upon the State and County each providing a matching \$3,725. Commissioner Smith seconded the motion. All voted aye, motion carried.

Motion

Commissioner Netschert moved to decrease Open Space Maintenance by \$7,000 (fund 236) for Parks Open Space Surveyor Contracted Payments. Commissioner Groepper seconded the motion.

Discussion

Commissioner Groepper asked if the original \$14,000 is Open Space

Bond money? City Manager Burton confirmed the money is from the Open Space Bond. Commissioner Groepper asked Commission Netschert if his concern is the dollar amount budgeted for getting the survey completed. Commissioner Netschert concurred he believes the survey should not cost more than \$7,000. Commissioner Groepper continued by saying when the dollar amount for a specific project is out there, the bids tend to come in just under the budgeted amount.

Commissioner Smith asked how the original \$14,000 figure was arrived at? Parks and Recreation Director Randy Lilje explained the purpose of the survey is to locate corners of and establish boundary lines on the open spaces along the south hills. Staff asked several local surveyors what it would take to survey the open spaces. The \$14,000 is an average of the estimates received.

Commissioner Smith asked how staff guards against bids coming in just under the appropriated amount? Mr. Lilje explained the RFP process helps guard against this. Once the commission approves the RFP committee's recommendation, staff can then negotiate the best price.

Commissioner Oitzinger asked if the terrain of the open space would account for a higher cost to survey. Mr. Lilje concurred that determining the boundary lines on the open space terrain would be an issue. Commissioner Oitzinger stated she will oppose the motion.

Vote Motion carried 3-2 with Commissioners Smith and Oitzinger voting no.

Motion Commissioner Groepper moved to reduce the commission contract payments budget (fund 100) by \$10,000 for the gambling mitigation study. Commissioner Smith seconded the motion. All voted aye, motion carried.

Commissioner Netschert stated he continues to be concerned with the contribution from the general fund to the Helena Bus. In reviewing the numbers, it is very expensive to operate this service. Commissioner Netschert commented he was prepared to make a motion to decrease the Helena Bus contribution by 50%. However, he will hold off on this motion until the study on the bus is completed.

Motion Commissioner Groepper moved to remove the \$8,437 tennis contract provision in Park Maintenance (fund 100), which is provided for in the Recreation Program (fund 225) budget. Commissioner Smith seconded the motion. All voted aye, motion carried.

Motion Commissioner Groepper moved to reduce the City Manager's training budget (fund 100) by \$3,000. Commissioner Smith seconded the motion.

Discussion Commissioner Smith asked City Manager Burton if there will be enough money to send the identified management to the High Performance Government Institute? City Manager Burton stated there will be adequate funding for the training.

Vote All voted aye, motion carried.

Motion Commissioner Groepper moved to remove the \$1,500 Strategic Planning Facilitator provision from the manager's contract payments budget (fund 100). Commissioner Smith seconded the motion. All voted aye,

motion carried.

Motion

Commissioner Groepper moved to remove the \$2,500 provision for the mayor's conference in the commission budget (fund 100).

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

Motion

Commissioner Groepper moved to remove the \$8,000 MSU Architecture Student Study in Planning (fund 205) and use \$3,500 to fund the non-motorized transportation study (fund 205).

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

Mayor Morrison stated the commission members received a letter from a group called Westridge Parks, asking for \$42,000 to work on a local neighborhood park. In discussing the letter with City Manager Burton, he noted the current park's plan does not call for neighborhood parks.

Mayor Morrison asked for commission concurrence to ask the manager to approach the Park Board and begin the process of having the park's plan amended to include neighborhood parks. It was the concurrence of the commission to direct the city manager to move forward and communicate to the residents the city's intention.

Mayor Morrison reported he received a note from Shirley Renders asking the city to support the CTEP Project nomination she submitted through the county. The proposal is to install a sprinkler system and repair the fence on the property located between the Reeder's Alley Subdivision entrance and Hair Hair Salon and Spa on S. Park Avenue.

Mayor Morrison asked for commission concurrence to ask the city manager to explore this issue and report back to the commission and Ms. Renders. It was the concurrence of the commission to ask the city manager to explore the issue.

Mayor Morrison noted for the record that a letter was received from Ron Cullen in support for the Historic Preservation half-time position.

Motion

Commissioner Groepper moved to reduce the pay plan study by \$10,000 in the human resource budget (fund 100).

Commissioner Netschert seconded the motion.

Discussion

Commissioner Smith asked how the original \$25,000 was derived. Human Resource Manager Salty Payne explained approximately 18-months ago, he conducted a straw poll of the consultants who had bid on the last pay study and ask for a ballpark figure. At that time, the plan was to do a regional survey and not strictly in state. The exact figures will not be known until the RFP is issued and responses received.

Vote

All voted aye, motion carried.

Motion

Commissioner Groepper moved to privatize one engineer position and related M&O items (approx. \$60,000 savings) and reallocate \$30,000 of the resulting savings to Public Works Administration contract engineering payments (fund 100) and \$10,000 to the weed control fund (fund 239) and general a \$20,000 savings.

Commissioner Netschert seconded the motion.

Discussion

Commissioner Smith asked Public Works Director John Rundquist to respond to the motion. Mr. Rundquist stated the motion will definitely have an impact on what the engineering division can do. Staff will give their best effort to make it work. He appreciated the additional funding for contract payments.

City Manager Burton stated he understands the intent of Commissioner Groepper's motion. There has been discussion on this subject for a couple of years. He thanked the commission for not privatizing the entire department. Staff will have the opportunity to work for a year with the privatization of one position and report back to the commission.

Commissioner Smith asked if the proposed budget includes two new FTE's for the public works department. City Manager Burton concurred that two new positions will be added, if the budget is approved as submitted. The two divisional assistants are a part of the reorganization of the public works department.

Vote

All voted aye, motion carried.

Convention Center

Mayor Morrison stated if the money for a convention center is kept in the budget, that it be earmarked as a "convention center" and not a specific project.

City Manager Burton concurred with Mayor Morrison and the commission maintains flexibility on whether or not to partner with any organization that is looking at the future development of a convention center.

Commissioner Netschert stated he has some definite concerns with how it is currently identified in the budget. He would be comfortable with leaving the amount in the budget but renaming the line item.

Motion

Commissioner Netschert moved to leave the budgeted amount of \$10,000 in the city manager's budget and delete the reference to the Gold West Convention Center and rename the line item, community enhancement projects.

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

Recess

Mayor Morrison called for a 10-minute recess

Mill Levy Discussion

Commissioner Smith noted it was Mayor Morrison that originally brought up the subject of possibly lowering the general fund mills for FY 2002. The last time the city's general fund mill levy was lowered was in 1991.

Commissioner Smith thanked the city manager and staff for doing a tremendous job. He noted for the record that he fully supports the proposed recommended COLA of 3.4%. He continued by saying that the city employees deserve the COLA, however, they should recognize that it is not an entitlement.

Commissioner Smith spoke with caution that if the commission approves the mill levy reduction this year, there is a possibility the mill levy will have to be increased next year.

Motion

Commissioner Smith moved to reduce the City of Helena's general mill levy by 4.0 mills from 96.33 to 92.33 mills in the FY 2002 city budget.

Motion died for a lack of a second.

Discussion

Commissioner Groepper explained the original mill levy proposal was for 96.33 mills. The total amount cut from the general fund earlier in the meeting was \$73,599 or equivalent to 1.77 mills. Commissioner Groepper noted the

96.33 mills do not include the mill levy for the open space bond issue. The open space mill levy for FY 2001 was 5.22. However, because the changes made during the legislative session, the open space mill levy will be 7.65 for FY 2002. Therefore the 2.5 mills of lost revenue have to be made up for the open space bond.

Commissioner Groepper explained with Commissioner Smith's motion to reduce the mill levy by 4.0 mills, to 92.33 mills, the city will be 1.3 mills lower than what was levied last year for the general fund. However with the increase of 2.5 mills for the open space bond issue being made up, if the commission wants to lower the general fund mill levy and not have an overall increase, then 5.3 mills need to be reduced. Commissioner Groepper stated he would support cutting the total mills by 5.3. He did caution, if the mills are lowered this year, they may need to be increased next year.

Commissioner Oitzinger stated buying power should measure into the decision on lowering the mill levy. She supports the 5.3 mill reduction. If the FY 2003 budget needs to be increased, then the commission will have to look at increasing the mill levy.

Commissioner Netschert stated he too is concerned with the costs for this year and into the future. One of the big costs is the COLA for the employees, increase in health insurance premiums, and the pay study. Therefore, he is not comfortable reducing the 5.3 mills and would support the original motion of reducing the mill levy by 4.0 mills.

Mayor Morrison explained the legislature gave local government the option to cut mill levies. This new opportunity allows local governments to review their mill levies each year. Mayor Morrison continued that he is comfortable with reducing the mill levy by 5.3 mills. There is already a reserve in place for any unforeseen expenditures.

City Manager Burton stated the motion prepared by staff was to reduce the mill levy by 3.80 mills from 96.33 to 92.53. Through budget cuts, the commission has already cut 1.77 mills and the motion on the floor is to cut an additional 4.0 mills, for a total of 5.77 mills. City Manager Burton noted a one-time savings is better than not being able to do it at all.

Additional discussion was held on the difference between the 4.0 and 5.3 mill levy reduction.

Motion

Commissioner Smith moved to reduce the city of Helena general mill levy by 4.8 mills from 96.33 to 91.53. Motion died for a lack of a second.

Commissioner Smith noted his motion gives tax relief to the citizens of Helena. He stated that if the mills need to be raised next year, he will vote in favor of doing so.

Commissioner Netschert stated the difference between a 4.0 and 4.8 mill levy reduction is approximately \$32,000. Commissioner Groepper noted the 4.8 mill levy reduction equals to \$199,632. This amount is very close to the \$186,500, which is in excess to the projected cash balance.

Motion

Commissioner Oitzinger moved to reduce the City of Helena general mill levy by 5.23 mills from 96.33 to 91.10 representing a combination of budget cuts and reductions to cash reserves. Commissioner Smith seconded the motion. Motion carried 4-1 with Commissioner Netschert voting no.

- F. Consider resolutions levying and assessing for maintenance and operations of the following annual charges:
1. Business Improvement District
 2. Tree Planting and Maintenance District
 3. Dust Control Districts 4, 5, 6, 7 & 8
 4. Street Maintenance Districts 1 & 2
 5. SID's
 6. Lighting Districts
 7. Sidewalk Improvement Program
 8. Stormwater Drainage District

Staff Report

Robert Ricker referred the commission to his August 3, 2001 memo that outlined the following proposal:

Business Improvement District - The annual assessment is necessary to defray the cost of the work plan and budget. The assessment methodology is unchanged from the prior year.

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

Dust Control Districts - No districts will be assessed this year. Only one district (no. 6 – Brady Street) will have an application this year. The available cash will allow for one application of dust control material. If the paving SID is created and the application is not necessary, any balance in the fund can be refunded to the residents. Two other districts (nos. 5 & 7) have been paved. The remaining two (Nos. 4 & 8) do not want material applied.

Street Maintenance Districts - The rates and assessment methodology, are proposed to remain the same. The boundaries of district #1 have been amended to exclude the property at 1052 North Rodney. The property will, accordingly, be added to district #2.

Special Improvement Districts (SID's) - The SIDs are the actual charges on the 2000 tax bills adjusted for any known changes.

Lighting Districts - Of the City's 32 lighting districts, only eight will see an increase in rates. The remaining 24 districts will remain the same.

Sidewalk Improvement Program – The sidewalk improvement program resolution allows all parties who voluntarily participated in the 2000 and prior programs, but has not elected to pay their assessment in full, to be assessed on the tax bill.

Stormwater Drainage District – The stormwater drainage utility district resolution anticipates no increase in the rate or change in the method of assessment.

Mr. Ricker noted that no action will be taken on the resolutions and the public hearing will be continued to August 13, 2001.

Public Testimony

Mayor Morrison declared the public portion of the hearing opened and called for any persons wishing to address the commission.

There being no further persons wishing to address the commission, **the public portion of the hearing was continued to August 13, 2001.**

Mayor Morrison thanked City Manager Burton and all staff for their work on the budget. He also thanked Fire Chief Steve Larson, Human Resource Manager Salty Payne and Clerk of the Commission Debbie Havens for helping with the statewide fire testing.

Adjournment

There being no further business to come before the Commission, the meeting was adjourned at 8:20 p.m.

MAYOR

ATTEST:

CLERK OF THE COMMISSION