

CITY OF HELENA
REGULAR CITY COMMISSION MEETING
August 22, 2011
6:00 P.M.

Time & Place A regular City Commission meeting was held on Monday, August 22, 2011 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 Cartwright, Ellison, Thweatt and Elsaesser were present. City Manager Ron Alles, Deputy City Attorney David Nielsen and Deputy City Clerk Robyn Brown were present. Others present were Jim McCormick 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 August 8, 2011 were approved as submitted.

Appointments APPOINTMENTS:
A. Civil Service Commission

Mayor Smith asked for Commission concurrence on the following appointments:

Civil Service Commission – Appointment of Sandy Oitzinger to the Civil Service Commission; first term will begin upon appointment and expire May 1, 2014. Appointment of Dick Meeker to an unexpired term; term will begin upon appointment and expire May 1, 2012.

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

Motion Commissioner Ellison moved approval of the appointments to the Civil Service Commission as outlined above. Commissioner Cartwright seconded the motion. All voted aye, motion carried.

Consent Agenda CONSENT AGENDA:
A. Claims
B. A resolution authorizing the donation of twenty-five (25) bicycles to the Helena Kiwanis Club and the donation of three (3) bicycles to the Montana Department of Transportation to assist in a DUI program **Res #19860**
C. Bid rejection for one (1) new 2011/2012 truck chassis with one (1) new 6-cubic yard hot asphalt body for the Street Division
D. Acceptance of the July pledged collateral report

City Manager Ron Alles recommended approval of the claims and the consent agenda.
Commissioner Cartwright asked item B be removed for further discussion.

Public Comment Mayor Smith asked for public comment, none was received.

Motion Commissioner Elsaesser moved approval of items A, C and D on the consent agenda. Commissioner Ellison seconded the motion. All voted aye, motion carried.

Item B B. A resolution authorizing the donation of twenty-five (25) bicycles to the Helena Kiwanis Club and the donation of three (3) bicycles to the Montana Department of Transportation to assist in a DUI program

Discussion Commissioner Cartwright suggested the next time the city donates bicycles staff check with the Americorp/VISTA office to see if any of the local VISTA volunteers could use a bike as they serve in Helena.

Motion Commissioner Cartwright moved approval of item B on the consent agenda. Commissioner Ellison seconded the motion. All voted aye, motion carried.

Communications COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS
Commissioner Ellison referred to a recent incident where a pit bull attacked a motorcycle police officer at the stop light at Custer and Montana Avenue. He strongly encouraged citizens to keep their dogs under control.
Commissioner Ellison commended Parks & Recreation Director Amy Teegarden on the work plan for the city's two new part-time arborists.
Commissioner Elsaesser reminded citizens to observe current fire restrictions and referred to a plan being implemented to protect the city's watershed by reducing fire fuels in the area.
Commissioner Cartwright thanked citizens that have been watering their boulevard trees. He also spoke to the current fire danger throughout the county and state.
Mayor Smith announced the City of Helena has received an invitation from the USS Helena to visit the submarine in Florida, September 13-16, 2011.

Report of the City Attorney REPORT OF THE CITY ATTORNEY
No report was given.

Report of the City Manager REPORT OF THE CITY MANAGER
No report was given.

Report from the Helena Citizens Council REPORT FROM THE HELENA CITIZENS COUNCIL
HCC Chair Jim McCormick stated the HCC is concerned about distracted driving, as is the City Commission, and recently performed a survey on the issue. He gave a brief overview of the survey results as of August 22, 2011 and noted the Commission would be provided a hard copy of the results once the survey is closed. He announced the next regular HCC meeting will be held Wednesday, August 24, 2011 at 7:00 p.m. in City/County Building, Room 326.
Commissioner Thweatt asked for the percentage of respondents that believe "hands-free" devices should also be regulated. Chair

McCormick responded 17.4%. Commissioner Ellison thanked the HCC for performing the survey.

REGULAR ITEMS:

- A. CONSIDER A RESOLUTION FOR THE ANNUAL TAX LEVY FOR FISCAL YEAR 2012 (FY2012).

Staff Report

Administrative Services Director Tim Magee reported as required by MCA 15-10-203, the city held a public hearing on July 11, 2011 before passing a resolution to budget additional property tax revenue. 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 1, 2011. The tax levy deadline is September 15, 2011. Newly taxable property growth was 6.25% last year and is 2.11% this year, or \$1,220,499 of the \$59,139,288 certified taxable value.

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 2011 budget provides for \$1,199,874, or 20.29 mills, to be levied for group health insurance premiums in 2011 for FY2012, which includes \$106,553 for a premium increase as allowed under MCA 2-9-212.

Director Magee recommended approval of the resolution setting the mill levy for Fiscal Year 2012, as required by law.

Discussion

Commissioner Elsaesser commented the Commission vetted this issue during budget work sessions held in May and June.

Public Comment

Mayor Smith asked for public comment, none was received.

Motion

Commissioner Ellison moved approval of a resolution setting the annual mill levy for FY 2012. Commissioner Elsaesser seconded the motion. All voted aye, motion carried. **Res #19861**

Comment

Commissioner Cartwright expressed concern that personnel costs are going up at a rate greater than being appreciated when reviewed one year at a time. He stated the personnel budget has gone up approximately 24% per full-time employee (FTE) while inflation has increased 17% since FY2006. While all of the increases have made sense at the time, there will become a point where something will have to be done about it. Commissioner Cartwright referred to enterprise funds and used the street maintenance fund as an example. He noted their increase per FTE has been about 40% over a six-year period. Rates have been increased over the last several years to fund the CCIP, but of the rate increases about 30% has gone to increased personnel costs, above the rate of inflation, instead of improvements. He cautioned the Commission to consider this issue carefully in future budget deliberations.

PUBLIC HEARINGS:

- A. CONSIDER A RESOLUTION LEVYING AN ASSESSMENT FOR THE BUSINESS IMPROVEMENT DISTRICT (BID) FOR FISCAL YEAR 2012

Staff Report

Director Magee reported on August 9, 2010, the City Commission adopted a resolution creating the BID for a period of ten years pursuant to 7-12-1101, MCA. State law (7-12-1132) requires the BID to submit its budget and work plan to the City Commission for approval and to recommend a method of levying an assessment on the property within the district to defray the cost of the work plan and budget.

The BID is not requesting any change to the assessment methodology. The complete methodology is outlined in the proposed resolution and is in accordance with the prescribed methodologies allowed by state law (7-12-1133, MCA). The BID's proposal is, after receiving public comment, that the City Commission approves the resolution levying an assessment to defray the costs of the budget and work plan for fiscal year 2012 as submitted.

Director Magee recommended approval of the resolution as it will allow for the assessment to be placed on the 2011 tax bills of the properties within the district and will fund the BID's operations for FY2012.

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 Ellison moved approval of a resolution levying an assessment for the BID for FY2012. Commissioner Elsaesser seconded the motion. All voted aye, motion carried. **Res #19862**

- B. CONSIDER A RESOLUTION APPROVING THE PROPOSED WORK PLAN AND BUDGET OF THE BID FOR FY2012.

Staff Report

Director Magee reported on August 9, 2010 the City Commission adopted a Resolution creating the BID for a period of ten years pursuant to 7-12-1101, MCA. State law (7-12-1132) requires the BID to submit its budget and work plan to the City Commission for approval and to recommend a method of levying an assessment on the property within the district to defray the cost of the work plan and budget.

Director Magee noted the BID is recommending the Commission approve the work plan and budget for FY2012, as submitted.

Discussion

Cartwright noted the BID is a collection of private businesses that work together to make the downtown work and thanked them for their service.

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 Ellison moved approval of a resolution adopting the work plan and budget for the BID for FY2012.

Commissioner Cartwright seconded the motion. All voted aye, motion carried. **Res #19863**

- C. CONSIDER RESOLUTIONS LEVYING AND ASSESSING ANNUAL CHARGES ON THE FOLLOWING DISTRICTS: OPEN SPACE MAINTENANCE, SIDEWALK IMPROVEMENT PROGRAM, SPECIAL IMPROVEMENT DISTRICTS (SIDs), STORM WATER UTILITY, STREET LIGHTING DISTRICTS (SLDs).

Staff Report

Director Magee reported each year the Commission must levy and assess annual charges on the above districts in order for them to be placed on the upcoming tax bills. The FY2012 recommended charges are as follows:

Open Space Maintenance District: The proposal is to continue the current assessment rate of a minimum \$17.00 per parcel plus \$0.00215 per square foot of impervious area in excess of 2,222 square feet.

Sidewalk Improvement Program: The Sidewalk Improvement Program assessments are necessary to cover the contract amounts for all participating properties.

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

Storm Water Utility: A rate increase of up to 1.50% will be considered.

Street Lighting Districts: SLD assessments are based upon the anticipated cost of electric utility bills and administrative support costs.

Director Magee recommended approval of the resolutions as it 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 Elsaesser moved approval of a resolution to levy and assess annual charges on the Open Space Maintenance District for FY2012. Commissioner Thweatt seconded the motion. All voted aye, motion carried. **Res #19864**

Motion

Commissioner Elsaesser moved approval of a resolution to levy and assess annual charges on the Sidewalk Improvement Program for FY2012. Commissioner Ellison seconded the motion. All voted aye, motion carried. **Res #19865**

Motion Commissioner Elsaesser moved approval of a resolution to levy and assess annual charges on Special Improvement Districts (SIDs) for FY2012. Commissioner Cartwright seconded the motion. All voted aye, motion carried. **Res #19866**

Motion Commissioner Elsaesser moved approval of a resolution to levy and assess annual charges on the Storm Water Utility District for FY2012. Commissioner Ellison seconded the motion. All voted aye, motion carried. **Res #19867**

Motion Commissioner Elsaesser moved approval of a resolution to levy and assess annual charges on the Street Lighting Districts (SLDs) for FY2012. Commissioner Ellison seconded the motion. All voted aye, motion carried. **Res #19868**

D. CONSIDER A RESOLUTION INCREASING CHARGES AND FEES FOR COLLECTION AND DISPOSAL OF RESIDENTIAL GARBAGE AND REFUSE IN THE CITY OF HELENA, MONTANA FOR FY2012.

Staff Report

Director Magee reported each year the City Commission may adjust charges and fees for collection and disposal of residential garbage and refuse (Residential Solid Waste Operating and Capital). Approval of the Resolution will adjust the rates. The FY2012 Annual Budget and management discussions call 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 and consider funding up to 50% of the annual CCIP schedule of 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.

Director Magee recommended approval of the resolution in order to establish rates to fund residential solid waste operations and noted there is no increase (0.0%) in charges and fees recommended for FY2012.

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 Thweatt moved approval of a resolution establishing charges for collection and disposal of residential garbage and refuse in the City of Helena, Montana, for FY2012. Commissioner Cartwright seconded the motion. All voted aye, motion carried. **Res #19869**

E. CONSIDER A RESOLUTION SPECIFYING THE ASSESSMENT METHOD, AMENDING THE BOUNDARIES AND LEVYING

AND ASSESSING THE ANNUAL CHARGE FOR STREET
MAINTENANCE DISTRICT #1 FOR FY2012.

Staff Report

Director Magee reported each year the Commission must levy and assess an annual charge on the Street Maintenance District in order for it to be placed on the upcoming tax bills. A rate increase of up to 1.50% is being proposed.

He recommended approval of the resolution in order to establish annual charges and fund street maintenance operations for FY2012.

Discussion

Commissioner Thweatt stated the rate for mobile home parks is lower than other residential properties and asked for more information. Director Magee explained during the course of the transportation analysis portion of the Impact Fee Study the impact of a mobile home was computed at approximately 40% of the impact of a typical single family residence; the rate reflects that.

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 Thweatt moved approval of a resolution specifying the assessment method for Street Maintenance District #1 for FY2012, levying and assessing all property in the district, and amending the boundaries of the district. Commissioner Cartwright seconded the motion. All voted aye, motion carried. **Res #19870**

F. CONSIDER A RESOLUTION EXPANDING THE TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID).

Staff Report

Director Magee reported On April 20, 2009, the City Commission passed Resolution #19644 which created the TBID for a period of ten years pursuant to 7-12-1101, MCA. The TBID wishes to expand the current district to include three newly built hotels. The TBID has circulated a petition to those hotels and obtained owner signatures from all three hotels agreeing to be included in the expanded district.

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.

Marti Bara, General Manager of the Best Western in the Great Northern Town Center; spoke in support of expansion of the district.

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

Motion

Commissioner Ellison moved approval of a resolution expanding the TBID. Commissioner Elsaesser seconded the motion. All voted aye, motion carried. **Res #19871**

F. CONSIDER A RESOLUTION LEVYING AN ASSESSMENT FOR THE TBID FOR FY2012.

Staff Report

Director Magee reported on April 20, 2009, the City Commission passed Resolution #19644 which created the TBID for a period of ten

years pursuant to 7-12-1101, MCA. State law (7-12-1132) requires the TBID to submit its budget and work plan to the City Commission for approval and to recommend a method of levying an assessment on the property within the district to defray the cost of the work plan and budget.

Director Magee recommended approval of the resolution as it will allow the assessment to be placed on the 2011 tax bills of the properties within the district and fund the TBID's operations for FY2012.

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 Ellison moved approval of a resolution levying an assessment for the TBID for FY2012. Commissioner Thweatt seconded the motion. All voted aye, motion carried. **Res #19872**

H. CONSIDER A RESOLUTION APPROVING THE PROPOSED WORK PLAN AND BUDGET OF THE TBID FOR FY2012.

Staff Report

Director Magee reported on April 20, 2009, the City Commission passed Resolution #19644 which created the TBID for a period of ten years pursuant to 7-12-1101, MCA. State law (7-12-1132) requires the TBID to submit its budget and work plan to the City Commission for approval and to recommend a method of levying an assessment on the property within the district to defray the cost of the work plan and budget.

Director Magee recommended approval of the resolution and noted state law requires the Commission's approval of the budget and 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 Ellison moved approval of a resolution approving the work plan and budget for the TBID for FY2012. Commissioner Thweatt seconded the motion. All voted aye, motion carried. **Res #19873**

I. CONSIDER A RESOLUTION SETTING WASTEWATER CHARGES FOR ALL CUSTOMERS.

Staff Report

Director Magee reported each year the City Commission may adjust wastewater charges for services or equipment. The FY2012 Annual Budget and management discussions call 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 and consider funding up to 50% of the annual

- CCIP schedule of 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.

Director Magee recommended approval of the resolution in order to establish charges to fund the wastewater operating and capital systems for FY2012 and cover the costs of providing those services and/or equipment to customers.

Discussion

Commissioner Cartwright noted the Commission is required to set these charges annually; however, these rates are not being increased for FY2012.

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 Thweatt moved approval of a resolution setting wastewater charges for all customers of the City of Helena wastewater system. Commissioner Cartwright seconded the motion. All voted aye, motion carried. **Res #19874**

- J. CONSIDER A RESOLUTION INCREASING WASTEWATER RATES UP TO 4.5% FOR ALL CUSTOMERS.

Staff Report

Director Magee reported each year the City Commission may adjust wastewater rates to cover the costs of providing the services. The FY2012 Annual Budget and management discussions call 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 and consider funding up to 50% of the annual CCIP schedule of 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.

Director Magee recommended approval of the resolution in order to establish charges to fund the wastewater operating and capital systems for FY2012. He noted the proposed rates were recommended as a result of the Commission's CCIP review. Wastewater rates were last increased in November 2010.

Discussion

Commissioner Thweatt asked for the difference between wastewater charges and rates. City Manager Alles explained charges include septic dumping fees, pretreatment application charges, meter and connection charges; rates are the cost for volume of usage.

Commissioner Cartwright spoke of the importance of the rate increase for the city's wastewater system.

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 Thweatt moved approval of a resolution increasing wastewater rates 4.5% for all customers of the City of Helena wastewater system. Commissioner Elsaesser seconded the motion. All voted aye, motion carried. **Res #19875**

K. CONSIDER A RESOLUTION SETTING WATER CHARGES FOR ALL CUSTOMERS.

Staff Report

Director Magee reported each year the City Commission may adjust water charges for services or equipment. The FY2012 Annual Budget and management discussions call 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 and consider funding up to 50% of the annual CCIP schedule of 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.

Director Magee recommended approval of the resolution in order to establish charges to fund the water operating and capital systems for FY2012 and cover the costs of providing those services and/or equipment to customers.

Discussion

Commissioner Elsaesser noted there were minor increases to the water charges proposed for FY2012.

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 of a resolution setting water charges for all customers of the City of Helena water system. Commissioner Ellison seconded the motion. All voted aye, motion carried. **Res #19876**

L. CONSIDER A RESOLUTION INCREASING WATER RATES UP TO 1.5% FOR ALL CUSTOMERS.

Staff Report

Director Magee reported each year the City Commission may adjust water rates to cover the costs of providing the services. The FY2012 Annual Budget and management discussions call 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 and consider funding up to 50% of the annual CCIP schedule of 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.

Director Magee recommended approval of the resolution in order to establish charges to fund the water operating and capital systems for FY2012. He noted the proposed rates were recommended as a result of the Commission's CCIP review. Water rates were last increased in November 2010.

Discussion Commissioner Cartwright commended the City of Helena for securing the future of its water.

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 of a resolution increasing water rates 1.5% for all customers of the City of Helena wastewater system. Commissioner Ellison seconded the motion. All voted aye, motion carried. Res #19877

Public Communications PUBLIC COMMUNICATIONS
No public communications were given.

Meetings of Interest MEETINGS OF INTEREST
The next Administrative Meeting is September 7, 2011 and the next Commission Meeting is September 12, 2011. The City/County Joint Work Session will be held on September 1, 2011.

Adjournment There being no further business to come before the Commission, the meeting was adjourned at 7:06 p.m.

Mayor James E. Smith

ATTEST:

Clerk of the Commission