

CITY OF HELENA
REGULAR CITY COMMISSION MEETING
June 26, 2017 - 6:00 P.M.
City Commission Chambers, Room 330

- Time & Place** A regular City Commission meeting was held on Monday, June 26, 2017 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 Ellison, Haladay, Noonan, and Farris-Olsen were present. City Manager Ron Alles, City Attorney Thomas Jodoin, Deputy City Clerk Katya Grover, and City Clerk Debbie Havens were present.
HCC Representative Gary Spaeth was also present.
- 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 June 12, 2017, and were approved as submitted.
- Board Appointments** BOARD APPOINTMENTS:
A. City Zoning Commission, Non-Motorized Travel Advisory Council, and Public Art Committee
- Mayor Smith recommended the following appointments:
City Zoning Commission – Appointment of Mark A. Ophus as the alternate member to the City Zoning Commission. The unexpired term will begin upon appointment and expire September 30, 2019.
Non-Motorized Travel Advisory Council – Appointment of John Andrew to NMTAC. The first term will begin upon appointment and expire March 31, 2020.
Public Art Committee – Appointment of Nick Ladas and Virginia Niccolucci to the Public Art Committee. The unexpired terms will begin upon appointment and expire December 31, 2019.
- Public Comment Mayor Smith asked for public comment, none was received.
- Motion** **Commissioner Haladay moved approval of the board appointments to the City Zoning Commission, the Non-Motorized Travel Advisory Council, and the Public Art Committee as outlined above.** Commissioner Ellison seconded the motion. All voted aye, motion carried.
- Consent Agenda** CONSENT AGENDA:
A. Claims.
B. Resolution adopting the Lewis & Clark County Pre-Disaster Mitigation Plan. **Resolution 20346**
C. Final passage of Ordinance 3228 amending City of Helena Ordinance 2359 and amending the official zoning map, for a zone change for a lot containing approximately 4.28 acres located in a PLI (Public Lands and Institutions) District to a B-2 (General Commercial) District, for property legally described as Lot 1A, Block 55 in the Central Addition No. 3, recorded under Document No. 3305039, with a property address of 1100 North Last Chance Gulch.
- City Manager Alles recommended approval of the claims.
- Public comment Mayor Smith asked for public comment, none was received.

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

Communications From Commissioners COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS
Commissioner Ellison acknowledged that Independent Record Reporter Al Knauber is retiring and thanked him for his service. Commissioner Ellison also noted that today F-18 Super Hornet aircrafts left Helena after refueling.

Commissioner Noonan informed the Commission that Thomas Evans, President of Carroll College, is leaving for a different position in Texas and thanked him for his dedicated service and substantial fundraising that he brought to the college. Father Stephen Rowan will serve as an Interim President.

Report of the City Attorney REPORT OF THE CITY ATTORNEY
City Attorney Jodoin reported on the Skinner v. City case (Ten Mile Creek water rights dispute) regarding the alleged abandonment of the city's senior water rights on Ten Mile Creek. City Attorney Jodoin reported a majority of the Montana Supreme Court concluded that the city did not abandon any portion of its water rights. City Attorney Jodoin noted that this win is critical for Helena and other cities. The Court affirmed the Water Master and Water Court with respect to the issue of place of use meaning that the city can only provide water to property within the city limits as of July 1, 1973, and to properties that were receiving city water. It means that any properties added and annexed to the city, or properties that have received city water, subsequent of July 1, 1973, will need to go through the process with the DNRC to add them as a place of beneficial use

Commission Questions Commissioner Haladay asked whether the city will be able to keep providing water during the interim. City Manager Alles confirmed that is correct.

Commissioner Farris-Olsen asked how this is going to affect issues like platting and development residential area belonging to Intermountain Subdivision. City Attorney Jodoin noted that he doesn't believe that this issue would be affected, as this piece of land was within city limits on July 1, 1973.

Commissioner Haladay asked how the city is going to help out individuals to go through that process. City Manager Alles noted that he intends to work with the DNRC to develop a process.

City Attorney Jodoin stated that it is impossible to determine which properties receive Ten Mile water vs. Missouri River water. He noted that moving forward simply involves working on paperwork. City Attorney Jodoin also provided updates on the Central School Lawsuit. The District Court dismissed the Nicholson Lawsuit. City Attorney Jodoin reported that the next step would be to work on the following: by July 6 the Court wanted to see a briefing from the city and the school district to determine whether in school district the attorneys involved are entitled to attorney's fees. Once there is a final judgement in the case, the time for appeal will start.

**Report of the City
Manager**

REPORT OF THE CITY MANAGER

City Manager Alles reported to the Commission that the paving project will continue this week on Last Chance Gulch and should be completed this Friday, June 30.

Commissioner Farris-Olsen asked whether City Manager Alles followed up with St. Peter's Hospital regarding signing a contract with the city employees insurance - Allegiance. City Manager Alles said that tomorrow evening, June 27, St. Peter's will have a Board Meeting and that he will keep working with the hospital on this agreement. Commissioner Farris-Olsen asked what would happen if the agreement for reference billing is not reached by July 1. City Manager Alles reported that there are only two hospitals in the region that haven't signed this agreement. City Manager Alles noted that he is trying to resolve an issue of balance billing to the employee or participant. Commissioner Farris-Olsen asked whether, in case the agreement is not reached, the costs of healthcare in the St. Peter's system will go up. City Manager Alles said that, potentially, it is possible. City Manager Alles explained the procedure. Commissioner Farris-Olsen asked for clarification on balance billing. City Manager Alles clarified the meaning of the term balance billing.

**Report from the
Helena Citizens**

REPORT FROM THE HELENA CITIZENS COUNCIL

HCC Chair Spaeth reported on the meeting that HCC would have on the upcoming Wednesday. Mr. Spaeth also noted that he met with a city animal control officer and was impressed with his professionalism.

Regular Items

REGULAR ITEMS:

A. CONSIDER A RESOLUTION AFFIRMING HELENA'S CONTINUED EFFORTS TO COMBAT CLIMATE CHANGE

Mayor Smith asked to see show of hands of those who came to speak in favor of the resolution and against it. Mayor Smith noted that during the last Administrative Meeting it was decided to allocate an hour for the discussion of the resolution. Forty minutes was given for public testimony and twenty minutes for the Commission discussion.

Commissioner's Report

Commissioner Haladay presented the resolution to the Commission's attention and discussed its benefits. Commissioner Haladay also noted that this resolution puts two pieces in place that the original climate action plan, which was a citizen-drive project launched ten years ago, lacks: creation of the citizens' advisory body and implementation of annual reports.

Commissioner Haladay recommended approval of the resolution affirming Helena's continued efforts to combat climate change.

Public Comment

Mayor Smith asked for public comment, the following persons addressed the commission in support of the resolution:
Stan Bradshaw, Chair of the Climate Task Force
John Hoffland, a member of the Citizens' Climate Lobby
Robert Filipovich, Helena resident
Mark Juedeman, Helena resident
Alec Underwood, Montana Wildlife Federation
Danny Heywood, East Helena resident
Jessica Peterson, co-owner of Inside Edge Design, LLC
Gary Spaeth, president of HCC
Lisa Fairman, Helena resident
Madalyn Quinlan, Helena resident

Bryan Garrity, Helena resident
Brian Fadie, Montana Environmental Information Center
Tony Napoletano, Helena resident
JC Steppleton, Helena resident
Rep. Mary Ann Dunwell, HD 84

The following person addressed the commission opposing the resolution:
Sean Logan, retired Chief of the Helena Fire Department

Mayor Smith thanked all those who spoke about the resolution.

Motion

Commissioner Haladay moved approval of a resolution affirming Helena's continued efforts to combat climate change.

Commissioner Farris-Olsen seconded the motion.

Discussion

Commissioner Farris-Olsen talked about the reasons why this resolution should be supported: it has a potential to save money for citizens and, per the Constitution, all citizens have a right to clean environments.

Commissioner Noonan addressed a question of whether this resolution is in the purview of the Commission and noted that it is the Commission's responsibility to be a voice of Helena's citizens. Commissioner Noonan also read a poem he wrote regarding climate change and his role as City Commissioner.

Commissioner Ellison noted that during the June 12 Commission Meeting, he expressed two concerns regarding the resolution but he reconsidered his opinion. Commissioner Ellison said that originally he disagreed with wording "irresponsible actions", but now he agrees to leave that language in the text. Commissioner Ellison also was not in favor of creating another committee as the city already has many committees, but today's testimony showed that the citizens want to come together and form a committee. Commissioner Ellison said that he will not offer amendments on this resolution and will vote in favor.

Mayor Smith thanked everyone for the testimony. Mayor Smith noted that he read the Paris Agreement and it is still not very clear as some of the language is difficult to understand, but today's testimony was persuasive and compelling. Mayor Smith asked the City Clerk, Debbie Havens, to keep a copy of the Paris Agreement together with the resolution. Mayor Smith concluded by saying that he will support the passage of this resolution.

Commissioner Haladay concluded the commission discussion and thanked both proponents and opponents for expressing their opinions.

Vote on Resolution

All voted aye, motion carried. **Resolution 20347**

B. CONSIDER SELECTION OF GENERAL CONTRACTOR
CONSTRUCTION MANAGER FOR THE BILL ROBERTS PRO
SHOP & CLUBHOUSE PROJECT

Staff Report

Community Facilities Director Gery Carpenter reported the City Commission adopted detailed written findings demonstrating that an alternative project delivery contract meets the requirements of §18-2-502 (2), MCA, for the Bill Roberts Pro Shop & Clubhouse Project. That action enabled the City of Helena to proceed with the alternative project delivery contract method. This process included an RFQ, an RFP, and a committee selection process that is followed by the preconstruction contract. The final step is the awarding of a general contractor construction management contract to the successful respondent. Three general contractors responded to the RFQ consisting of Dick Anderson Construction, Diamond Construction, and Golden Eagle Construction. All of the respondents of the RFQ also responded to the RFP. A committee comprised of Gery

Carpenter, Troy Sampson, Amy Teegarden, Scott Longenecker, and Jeff Downhour met on June 6th to review the RFPs from the three respondents. Two contractors were selected as finalists for interviews, Diamond Construction and Golden Eagle Construction. The committee met on June 15th to interview the two finalists. The result of the interviews, plus the submitted RFP's, provided the following recommended ranking of the respondents by the committee: 1) Golden Eagle Construction, 2) Diamond Construction.

Selection of general contractor construction manager would (1) provide cost estimating, value engineering, planning, and scheduling of construction work and (2) provide a guaranteed maximum price for the project at contract end.

Director Carpenter recommended approval to authorize the City Manager to negotiate a preconstruction contract with Golden Eagle Construction for services during the design of the Bill Roberts Pro Shop and Clubhouse Project.

Discussion

No discussion was held by the Commissioners.

Public Comment

Mayor Smith asked for public comment, none was received.

Motion

Commissioner Farris-Olsen moved approval to authorize the City Manager to negotiate a preconstruction contract with Golden Eagle Construction for services during the design of the Bill Roberts Pro Shop and Clubhouse Project. Commissioner Haladay seconded the motion. All voted aye, motion carried.

C. CONSIDER A RESOLUTION OF INTENTION TO MODIFY THE FEE SCHEDULE FOR THE USE OF THE HELENA CIVIC CENTER

Staff Report

Community Facilities Director Gery Carpenter reported the current fee schedule was adopted April 2014. The Civic Center Board's Special Projects Committee and Civic Center staff reviewed the documents and recommended changes. The Civic Center Board approved the proposed schedule, which is attached to the written report, at their April 11, 2017, meeting.

The Civic Center would like to increase its revenue but realizes that raising fees is not the most prudent method and, therefore, proposes a complete change to the fee schedule.

The base rental of the auditorium will increase. The lighting fee will change from two separate fees to one and there will no longer be a fee for additional lights or sound equipment. Rather than paying a different rate for each technician in the auditorium, three set rates are proposed for labor. Director Carpenter proposes to raise the ticketing convenience fee and add a fee to allow for ticket exchanges. The rental of the ballroom will increase to include serving of food along with complimentary equipment that had minimal effect on revenue. In an effort to increase use during the week, a discount of 25% on regular room rental rates M-Th and a new hourly fee for meeting and classroom space M-Th are proposed. A change to the full facility fee is proposed.

The proposal gives management the opportunity to create additional use by allowing fees for uses of the building outside the parameters of the fee schedule to be determined by the city and allowing the city to sponsor events through promotion or co-promotion.

Many of the Civic Center's clients cannot afford an increase in fees so the proposal is not to make a large increase but rather to create a fee schedule that allows for more use of the building by giving more opportunities to the users which is believed will increase use, therefore, increasing revenue.

Ballroom users who have used minimal equipment in the past will see a small increase. Auditorium users will see an impact on their fees with the increase for room rental rates.

Director Carpenter recommended approval of a resolution of intention to modify the fee schedule for the use of the Helena Civic Center and set a public hearing date for Monday, July 10, 2017.

Discussion Commissioner Noonan thanked Director Carpenter, his board, and Commissioner Farris-Olsen. Commissioner Noonan spoke in favor of the adjusting the fee schedule.

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

Motion **Commissioner Ellison moved approval of a resolution of intention to modify the fee schedule for use of the Helena Civic Center and set a public hearing date for Monday, July 10, 2017.** Commissioner Noonan seconded the motion. All voted aye, motion carried. **Resolution 20348**

Commissioner Farris-Olsen, who also serves as a liaison to the Civic Center Board, thanked Community Facilities Director Carpenter for his work in relation to this resolution.

Mayor Smith noted that the Board gave positive feedback regarding work related to the resolution.

D. CONSIDER AN AMENDMENT TO THE GREEN MEADOW AGREEMENT FOR SATISFACTION OF ANNEXATION CONDITIONS CHANGING JUNE 15, 2017, TO AUGUST 31, 2017, IN AGREEMENT SECTION 7 SUBDIVISION FOR PROPERTY LEGALLY DESCRIBED AS LOT 4A OF COS#3035465, GENERALLY LOCATED EAST OF GREEN MEADOW DRIVE AND NORTH OF ANDESITE AVENUE

Staff Report City Planner Lucy Morell-Gengler reported the resolution of intention to annex the subject property was approved on October 5, 2015, and the preliminary plat for the Green Meadow Subdivision, a 3-lot minor subdivision, was conditionally approved on October 19, 2015. On October 17, 2016, the Helena City Commission approved annexing Lot 4A of COS#3035465, the subject property, and authorized the City Manager to enter into an Agreement for Satisfaction of Annexation Conditions defining the responsibility for installation of the deferred annexation improvements. Completing the subdivision is a requirement of Section 7 in the annexation agreement which states: "*Owner and City agree to bifurcate the filing of the final plat from the annexation of the property. Owner and the City further agree that the filing of the final plat is deferred until December 15, 2016. Except to that limited extent, this Agreement has no effect on the City's consideration of the final plat proposal and all conditions of final plat approval remain in effect.*"

An extension to the original time frame was granted on January 9, 2017, changing the date to June 15, 2017. Although a final plat application has been submitted to the city and the majority of the requirements have been completed, there are still some improvements and conditions that have not been completed. The project manager for the Green Meadow development, in a letter dated June 9, 2017, requested to amend the date for filing the Green Meadow Subdivision final plat in order to allow time to complete the outstanding requirements. Although the applicant requested August 15, 2017, for ease of tracking, staff is recommending extending the time frame to August 31, 2017. The proposed amendments to the Green Meadow Agreement for Satisfaction of Annexation Conditions, if approved, would change the date for filing the final plat from June 15, 2017, to August

31, 2017. Although several of the residential units are close to completion, per the annexation agreement, final occupancy permits will not be issued until the Green Meadow final plat is filed.

The owner of the property, Green Meadow Helena, LLC, is requesting, through their representative, to amend the Green Meadow Agreement for Satisfaction of Annexation Conditions to extend the time frame for filing the Green Meadow Minor Subdivision final plat from June 15, 2017, to August 15, 2017; for ease of tracking, staff is recommending extending the time frame to August 31, 2017.

The proposed change would defer default on the annexation agreement and allow time for the developer to install required infrastructure and to process required documents.

City Planner Morell-Gengler recommended adoption of an amendment to the Green Meadow Agreement for Satisfaction of Annexation Conditions changing "June 15, 2017", to "August 31, 2017", in Agreement Section 7 Subdivision for property legally described as Lot 4A of COS#3035465, generally located east of Green Meadow Drive and north of Andesite Avenue.

Discussion

Commissioner Farris-Olsen asked to clarify which specific requirements haven't been completed. City Planner Morell-Gengler addressed the question and explained which minor requirements haven't been satisfied.

Public Comment

Mayor Smith asked for public comment.
Marc Parriman, Marc Parriman Construction, said that his company will produce a final plat for the Commission's consideration on July 10.

Motion

Commissioner Haladay moved adoption of an amendment to the Green Meadow Agreement for Satisfaction of Annexation Conditions changing "June 15, 2017", to "August 31, 2017", in Agreement Section 7 Subdivision for property legally described as Lot 4A of COS#3035465, generally located east of Green Meadow Drive and north of Andesite Avenue. Commissioner Ellison seconded the motion. All voted aye, motion carried.

E. CONSIDER A RESOLUTION OF INTENTION TO ANNEX FIVE PROPERTIES AS LEGALLY DESCRIBED IN THE RESOLUTION OF INTENTION TO ANNEX, GENERALLY LOCATED NORTH OF BROADWATER AVENUE AND WEST OF SPRING MEADOW LAKE, IN LEWIS AND CLARK COUNTY, MONTANA, INTO THE CITY OF HELENA, MONTANA, AND ESTABLISH CONDITIONS FOR ANNEXATION

Staff Report

Senior Planner Dustin Ramoie reported the applicant has requested the annexation of the subject properties and adjacent Broadwater Avenue right-of-way. The property is not currently adjacent to the City of Helena but it is located within the "Urban Standards Boundary Area." In order to annex the subject properties, a small portion of Broadwater Avenue will need to be annexed as a route of annexation. City staff is currently working with the County in the process for annexing that small portion of Broadwater Avenue and that process will have to be completed prior to final annexation of these subject properties. It is in accordance with the 2011 Growth Policy to annex property that is adjacent to the city and within the defined "Urban Standards Boundary Area", as well as properties that are currently served by city water service. The properties are partially developed with a complex of commercial buildings and some undeveloped vacant land. The applicant has petitioned the city for annexation to attain all city services and to utilize the property with the CLM (Commercial Light Manufacturing) zoning designation. The subject property is currently served with city water and with

annexation, extension of the water and wastewater service boundary will occur.

The subject property was pre-zoned to the CLM (Commercial Light Manufacturing) District by the Helena City Commission on August 18, 2003, with the adoption of Ordinance 2970.

The resolution of intention would allow annexation of the subject properties into the City of Helena.

Annexation of the subject properties would incorporate into the city properties that are already being served by city water and have been pre-zoned since 2003. It would also allow the applicant to re-develop a portion of their property utilizing all city services.

Annexation of the subject property will allow the applicant to re-develop some of the property utilizing city services such as city water which already serves the area.

Planner Ramoie recommended approval of a resolution of intention to annex five properties as legally described in the resolution of intention to annex, generally located north of Broadwater Avenue and west of Spring Meadow Lake, in Lewis and Clark County, Montana, into the City of Helena, Montana, and establish conditions for annexation.

Discussion

Commissioner Haladay asked what factors drove the last pre-zoning that took place in 2003 and whether there was a previous annexation request. Senior Planner Ramoie said that he is not aware of previous annexation requests but there was a previous mass pre-zoning done.

Public Comment

Mayor Smith asked for public comment, none was received.

Motion

Commissioner Ellison moved approval of a resolution of intention to annex five properties as legally described in the resolution of intention to annex, generally located north of Broadwater Avenue and west of Spring Meadow Lake, in Lewis and Clark County, Montana, into the City of Helena, Montana, and establish conditions for annexation. Commissioner Haladay seconded the motion. All voted aye, motion carried. **Resolution 20349**

Public Hearings

PUBLIC HEARINGS:

- A. CONSIDER THE SPONSORSHIP OF A COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) HOUSING APPLICATION ON BEHALF OF THE CENTER FOR MENTAL HEALTH FOR A GROUP HOME AND TO AUTHORIZE THE CITY MANAGER TO SIGN ALL DOCUMENTS RELATING TO THIS GRANT

Staff Report

Community Development Director Sharon Haugen reported the Center for Mental Health has requested that the Helena City Commission consider sponsoring a CDBG application on their behalf for a group home for their clients who may be in danger of becoming homeless. The project will be located on the Center for Mental Health campus on Jackson Street. The total project cost is \$1,068,263 and the grant is in the amount of \$450,000. The Center for Mental Health has completed a preliminary architectural report for the project which included looking at different alternatives and locations for the facility and has held several meetings with the neighborhood and other community groups. This project is one of several needs that were identified in the last City/County Community Needs Assessment hearing.

The grant application would assist in financing the construction of a group home that will serve some of Helena's most vulnerable population. The placement of the group home, on the Center for Mental Health campus, will ensure that the residents of the home have better access to the staff and other resources available at the Center for Mental Health. The group home

will be centrally located and will have easy access to the city's transit system. The 2011 Helena Growth encourages the city to (a) support and expand the supply of housing for all residents especially lower income, senior citizens, persons with disabilities, homeless, and others with special needs, (b) work with non-profit agencies to maximize housing resources for low to moderate-income residents, and (c) encourage the development of housing located in proximity to physical, technological, social, and economic infrastructure. This project helps achieve all of these objectives.

Additionally, the building will be constructed to the newest energy code standards and will provide infill in that area.

Director Haugen recommended approval for a resolution authorizing the submission of a Community Development Block Grant (CDBG) on behalf of the Center for Mental Health for a group home and to authorize the City Manager to sign all documents relating to this grant.

Discussion

Mayor Smith referred to a letter received from Vicki Downhour as part of the written testimony and asked Community Development Director Haugen to comment on it. Community Development Director Haugen elaborated on the letter.

Public Testimony

Mayor Smith opened the public hearing and called for anyone wishing to address the commission. The following persons addressed the commission in support of the resolution:
Sydney Blair, CEO of the Center for Mental Health, Great Falls
Michelle Cuddy, Director of the Center for Mental Health, Great Falls
Patti Jacques, advocate for those with mental illness
Rep. Mary Ann Dunwell, HD 84

Motion

Commissioner Farris-Olsen moved to approve a resolution authorizing the submission of a Community Development Block Grant (CDBG) on behalf of the Center for Mental Health for a group home and to authorize the City Manager to sign all documents relating to this grant. Commissioner Noonan seconded the motion.

Discussion

Commissioner Haladay explained why he is in support of this resolution and emphasized that there are very few or no alternatives in Helena.

Commissioner Farris-Olsen fully agreed with Commissioner Haladay and supported what he had said.

Commissioner Noonan thanked all those who were involved in this project.

Vote

All voted aye, motion carried. **Resolution 20350**

Mayor Smith asked Senior Planner Dustin Ramoie how he wants to report on items B through F. Senior Planner Ramoie indicated that he prefers to report on the zoning ordinance separately and then present the preliminary plat with the variances together.

B. CONSIDER FIRST PASSAGE OF AN ORDINANCE AMENDING CITY OF HELENA ORDINANCE 2359 AND AMENDING THE OFFICIAL ZONING MAP FOR THE CITY OF HELENA FOR A ZONE CHANGE FROM PLI (PUBLIC LANDS AND INSTITUTIONS) TO R-2 (RESIDENTIAL) DISTRICT FOR LOTS 1-11 OF THE INTERMOUNTAIN SUBDIVISION, GENERALLY LOCATED SOUTH OF ALBERT AND FEE STREETS.

**Development
Block Grant**

Senior Planner Dustin Ramoie reported the applicant and property owner are requesting to change the current PLI District zoning to the R-2

(Residential) District to allow for residential development consistent with the adjacent R-2 District zoned properties located north of the subject property. As proposed, the zone change would allow development of any use permitted in the R-2 District. The proposed zone change is part of the Intermountain Major Subdivision Preliminary Plat proposal.

On May 9, 2017, the Helena Zoning Commission held a public hearing on the proposal and recommended its approval (2-1 with one commissioner abstaining).

On June 12, 2017, the Helena City Commission opened a public hearing on the zone change from PLI to R-2 Zoning Districts for Intermountain Major Subdivision Preliminary Plat and tabled (4-0 vote) the proposal until June 26, 2017.

Since the Zoning Commission public hearing on May 9, 2017, the staff report has had some minor updates including traffic information, updated exhibits, and updated project descriptions.

This amendment would change the zoning from PLI (Public Lands and Institutions) to R-2 (Residential) for the proposed 11 residential lots of the Intermountain Major Subdivision.

The zone change would allow for infill development of land already in the city limits and in an area where city services can be extended if the proposed subdivision is approved.

Planner Ramoie recommended approval for first passage of an ordinance amending City of Helena Ordinance 2359 and amending the official zoning map for the City of Helena for a zone change from PLI (Public Lands and Institutions) to R-2 (Residential) District for Lots 1-11 of the Intermountain Subdivision, generally located south of Albert and Fee Streets.

Discussion

Commissioner Ellison asked why this parcel of approximately 40 acres was originally zoned as PLI instead of a residential zone. Senior Planner Dustin Ramoie said the current use of this piece of land fits within PLI definitions.

Commissioner Haladay asked for clarification on “two single detached dwellings” and whether these are singles homes or whether each of those single detached homes can be duplexes. Senior Planner Ramoie said both of the types would be allowed on property under discussion.

Commissioner Haladay asked to confirm that two duplexes would not be allowed to be expanded functionally into four dwellings. Senior Planner Ramoie concurred.

Commissioner Haladay said that the report that Senior Planner Ramoie presented describes the distinction between a PLI district and a R-2 district and asked whether under a PLI a single residential home could not be put on the property. Senior Planner Ramoie concurred.

Commissioner Haladay referred to a large structure on the map showing the parcel of land under question and asked whether this structure could be built right now under the existing rules of current PLI. Senior Planner Ramoie replied that such building could be built under current PLI rules if it is located on PLI zone.

Commissioner Haladay asked that if this parcel is left as PLI, whether Intermountain could build a large office building there. Senior Planner Ramoie concurred.

Commissioner Noonan asked whether the resolution would have any impact on future renovations done by other property owners. Senior Planner Ramoie concurred and said that there won't be any requirements imposed on other property owners.

Public Comment

Greg Wirth, senior engineer for Stahly Engineering & Associates, spoke on behalf of Intermountain Subdivision and in support of this resolution as it will create 11 residential lots. He noted that R-2 zoning is consistent with residential development. According to Growth Policy Analysis, it promoted the in-field development within the city limits. Engineer

Wirth concurred with the zone change analysis and requests approval of the ordinance.

Phil Brooks, Helena resident, stated that he does not oppose rezoning from PLI to R-2 but does oppose two things: access to a property and installation of sidewalks. Mr. Brooks elaborated on both points. In conclusion, Mr. Brooks said that he supports staff recommendation on the city park for cash donations by the developer rather than the land.

Josh Wisler, Fee Street resident, spoke against the zone change. His main concerns were increased vehicle trips and increase in general busyness of the area. Mr. Wisler noted that there is not a lot of parking as it is. He also noted that this area is rarely targeted for snow removal. Mr. Wisler noted that these issues will be escalated if the parcel of land under question turns into a residential area. Mr. Wisler also addressed the staff recommendation on the city park and spoke in favor of accepting cash instead of acreage. Mr. Wisler pointed out that nobody in the neighborhood knew that it is a park land.

Motion

Commissioner Ellison moved approval for first passage of an ordinance amending City of Helena Ordinance 2359 and amending the official zoning map for the City of Helena for a zone change from PLI (Public Lands and Institutions) to R-2 (Residential) District for Lots 1-11 of the Intermountain Subdivision, generally located south of Albert and Fee Streets. Commissioner Noonan seconded the motion.

Commissioner Farris-Olsen asked to confirm that passage of this ordinance will not require installation of sidewalks, etc., from existing residents. Senior Planner Dustin Ramoie concurred.

Vote

All voted aye, motion carried. **Ordinance 3229**

- C. CONSIDER A VARIANCE FROM CITY CODE 12-2-16(A)(5) TO ELIMINATE THE INSTALLATION OF THE SIDEWALK ON BOTH SIDES OF THE STREET FOR THE INTERMOUNTAIN MAJOR SUBDIVISION PRELIMINARY PLAT
- D. CONSIDER A VARIANCE FROM CITY CODE 12-4-2(B) TO REDUCE THE REQUIRED RIGHT-OF-WAY WIDTH FROM THE CITY STANDARD 60 FEET FOR A LOCAL STREET TO 50 FEET FOR THE INTERMOUNTAIN MAJOR SUBDIVISION PRELIMINARY PLAT
- E. CONSIDER A VARIANCE FROM CITY CODE 12-4-4(B) TO REDUCE THE WIDTH OF THE ALLEY FROM THE CITY STANDARD 20 FEET TO 12 FEET TO MATCH THE EXISTING ALLEY FOR THE INTERMOUNTAIN MAJOR SUBDIVISION PRELIMINARY PLAT
- F. CONSIDER THE PRELIMINARY PLAT FOR THE INTERMOUNTAIN MAJOR SUBDIVISION CREATING 13 LOTS AND RIGHT-OF-WAY (ROW) FROM APPROXIMATELY 40 ACRES, LEGALLY DESCRIBED AS NW1/4 SE1/4, S32, T10 N, R03 W DEED BOOK 258, PAGE 679, AS SHOWN ON COS #3220543, GENERALLY LOCATED SOUTH OF ALBERT AND FEE STREETS IN THE CITY OF HELENA, MT

Variance from City Code 12-2-16(A)(5)

Senior Planner Dustin Ramoie reported the applicant has requested a variance from Helena City Code Title 12, Subdivision Regulations. There are no staff recommendations for variance requests. The applicant has requested to eliminate the installation of sidewalks across the frontage of Lots 10 and 11 to provide more developable space on the lots.

On May 16, 2017, the City of Helena/Lewis and Clark County Planning Board held a public hearing for the Intermountain Major Subdivision preliminary plat including this variance request; they recommended to deny the request with a 6-3 vote. The Planning Board was of the opinion that sidewalks should be installed to be in accordance with city policies and code; technically, a sidewalk could be installed with modern engineering practices. Planner Ramoie noted that the portion of the minutes from the hearing that relates to the discussion of this variance is attached to the report.

On June 12, 2017, the Helena City Commission opened a public hearing on the Intermountain Major Subdivision Preliminary Plat and tabled (4-0 vote) the proposal until June 26, 2017.

Planner Ramoie recommended to approve, table, or deny a variance from City Code 12-2-16(A)(5) to eliminate the installation of the sidewalk on both sides of the street and not install sidewalks across the frontage of Lots 10 and 11 of the Intermountain Major Subdivision preliminary plat.

**Variance from City
Code 12-4-2(B)**

Senior Planner Dustin Ramoie reported the applicant has requested a variance from Helena City Code Title 12, Subdivision Regulations. There are no staff recommendations for variance requests. The applicant wishes to reduce the width of the street right-of-way in combination with the request to not install sidewalks on the interior of the street. If sidewalks are not installed, then the right-of-way width can be narrowed according to the applicant.

On May 16, 2017, the City of Helena/Lewis and Clark County Planning Board held a public hearing for the Intermountain Major Subdivision preliminary plat including this variance request; they recommended to deny the request with a 9-0 vote. The applicant spoke against granting this variance since the variance to eliminate the sidewalks on one side of the street was recommended to be denied. The denial of the sidewalk variance would now require the applicant to build the street to a full city standard and as such made this variance request impractical. Planner Ramoie noted that the portion of the minutes from the hearing that relates to the discussion of this variance is attached to the report.

On June 12, 2017, the Helena City Commission opened a public hearing on the Intermountain Major Subdivision Preliminary Plat and tabled (4-0 vote) the proposal until June 26, 2017.

Planner Ramoie recommended to approve, table, or deny a variance from City Code 12-4-2(B) to reduce the required right-of-way width from the city standard 60 feet for a local street, to 50 feet for the Intermountain Major Subdivision Preliminary Plat.

**Variance from City
Code 12-4-4(B)**

Senior Planner Dustin Ramoie reported the applicant has requested a variance from Helena City Code Title 12, Subdivision Regulations. There are no staff recommendations for variance requests. The applicant wishes to decrease the width of the alley from 20 feet to match the existing alley that is built to a width of 12 feet.

On May 16, 2017, the City of Helena/Lewis and Clark County Planning Board held a public hearing for the Intermountain Major Subdivision preliminary Plat including this variance request; they recommended to approve the request with a 6-3 vote. The Planning Board discussion focused on safety issues, use of the alley, current standards and why they are in place, and connection to the existing alley. Planner Ramoie noted that the portion of the minutes from the hearing that relates to the discussion of this variance is attached to the report.

On June 12, 2017, the Helena City Commission opened a public hearing on the Intermountain Major Subdivision Preliminary Plat and tabled (4-0 vote) the proposal until June 26, 2017.

Planner Ramoie recommended to approve, table, or deny a variance from City Code 12-4-4(B) to reduce the width of the alley from the city standard 20 feet to 12 feet to match the existing alley for the Intermountain Major Subdivision preliminary plat.

Preliminary Plat

Senior Planner Dustin Ramoie reported the applicant is requesting preliminary plat approval for the Intermountain major subdivision, a 13-lot major subdivision of the NW ¼ of the SE ¼, S32, T10 N, R03 W Deed Book 258, page 679 as shown on COS #3220543. The subject 40 acre property would be divided into 13 proposed lots and ROW. The 11 residential lots vary in size. Lot 1 contains .21 acres; Lots 2, 3, 7, and 8 contain .35 acres; Lots 4, 5, and 6 contain .24 acres; Lot 9 contains .22 acres; Lots 10 and 11 contain .25 acres; Lot 12 contains 35.85 acres; and the proposed parkland Lot 13 contains .36 acres. The property is in the city and in the PLI (Public Lands and Institutions) zoning district; however, there is a zone change proposed to the R-2 (Residential) zoning district for the 11 residential lots. It is located adjacent to R-2 (Residential) and R-1 (Residential Large Lot) District zoning. Piper Place, South Fee Street, and Albert Street will provide the required two points of access to the proposed lots. Water and wastewater will be provided by extending existing city infrastructure.

On May 16, 2017, the City of Helena/Lewis and Clark County Planning Board held a public hearing for the Intermountain Major Subdivision Preliminary Plat, they recommended to conditionally approve with a 9-0 vote.

On June 12, 2017, the Helena City Commission opened a public hearing on the Intermountain Major Subdivision Preliminary Plat and tabled (4-0 vote) the proposal until June 26, 2017. The tabling was to allow time to consider a new traffic analysis and to clarify the Park's Board recommendation of cash in lieu of parkland. The Findings of Fact have been amended to reflect those issues.

Approval of the Intermountain Major Subdivision Preliminary Plat will allow for the creation of 11 residential lots located within the City of Helena providing infill development on city infrastructure.

Any future development on the proposed lots would utilize city infrastructure and create lots in the city close to all types of services found in the urban environment.

Planner Ramoie recommended approval for the preliminary plat for the Intermountain Major Subdivision creating 13 lots and right-of-way (ROW) from approximately 40 acres, legally described as NW1/4 SE1/4, S32, T10 N, R03 W Deed Book 258, Page 679, as shown on COS #3220543, generally located south of Albert and Fee Streets in the City of Helena, MT.

Discussion

Commissioner Noonan asked whether a 60-foot street width on Piper Place would alleviate some of the problems present on high grade Albert and Fee streets: with snow removal and other general improvements. Planner Ramoie re-referred the question. City Manager Alles addressed the question and said that if the plowing trucks can utilize the Piper Place for turning, etc., it might enhance the snow plowing but there is no certainty that the width itself would have any positive impact on existing streets. Planner Ramoie said that, with respect to ROW, there are standards for the boulevards, the sidewalks, and the width of the street regardless to whether it be 50 feet or 60 feet. If it is 60 feet, a boulevard and a sidewalk would only be on one side of the street; there won't be any other difference between 50 feet and 60 feet width. Albert and Fee are going to stay exactly as they are right now. City Engineer Ryan Leland concurred with what Planner Ramoie said: the width of the Piper Place will not elevate issues on existing streets.

Mayor Smith asked whether people at the GIS have looked at this preliminary plat because he thought that the city is trying to stay away from the differential street names in Helena. Planner Ramoie said that they have received a copy and noted that "Piper Place" is a proposed name and it has not been approved yet.

Commissioner Haladay asked what utility is in place in the alley right now and whether there is sewer. City Engineer Leland confirmed that there is sewer in place. Commissioner Haladay asked whether it would be extended regardless the width of the alley with determination of the variance. City Engineer Leland concurred. Commissioner Haladay said that his

understanding was that 20 feet is needed to install sewer and asked whether the sewer can be installed at 12-foot width. City Engineer Leland said the city standard is 20 feet and the easement that they have for the sewer to work on is 20 feet and right now the city has 12 feet ROW that is in the valley already.

Commissioner Haladay asked whether the city has easement for additional 4 feet on either side. City Engineer Leland said no, that all they have is 12 feet. Commissioner Haladay asked if the alley were left at 12 feet on the new development, whether the city would have a 4-foot easement on either side. City Engineer Leland said that the city would not have that 4-foot easement on either side. Commissioner Haladay asked whether the water itself would go on the street. City Engineer Leland said that some of the sewer is going on the street too.

Mayor Smith asked to confirm that, as the public testimony indicated, the grade on Albert or Fee Street exceeds the city's grade limit of 12% even though the staff report did not indicate that. City Engineer Leland said that he doesn't recall whether the grade is exactly 12% but that the current grade will not change on the existing streets with the new development. The grade on the new development will be exactly 10%; in other words, the new development area would be less steep in case it is approved.

Public Testimony
on Items C – F

Mayor Smith opened the public hearing that the Commission started during the June 12 meeting and called for anyone wishing to address the commission.

Greg Wirth, senior engineer for Stahly Engineering & Associates, representing Intermountain, stated that the subdivision is consistent with the growth policy. It provides in-filed development within the city limits for efficient resources. Engineer Wirth and his associates reviewed the staff report for the subdivision review criteria. Engineer Wirth stated that there is no significant impacts or very minimal impacts that are mitigated by the division regulations and development standards.

Engineer Wirth noted that the new development will be beneficial to Albert and Fee Streets: the loop street will eliminate two dead ends, the infrastructure is there to support the development and the new street will be at about 10 % grade, less steep than the top of Albert Street, which is 12% grade. Engineer Wirth also addressed some of the concerns that were indicated in the public testimony and Commissioners' questions. He checked with the GIS address coordinator regarding the name of the street and learned that the name "Piper Place" is reserved for this lot in their Address Division. The street will comply with storm water system and will be designed according to City of Helena Engineering Standards. Engineer Wirth noted that currently there is no existing storm water system in place.

Engineer Wirth also addressed one of the written comments where a concern was expressed regarding flow-down from one of the streets. He noted that right now water goes through the alleys, which is uncontrolled water flow, and the new development will put the storm water into a controlled public ROW. Engineer Wirth doesn't anticipate flooding from the Piper Place, as expressed in a concern that one of the residents brought up. Regarding the park land dedication, the Intermountain is proposing to dedicate an existing and open space. Going with the Planning Board, the Intermountain requests that the Commission honors a request for the land donation. Another concern was expressed in the written testimony that the park was perched away from some of the lots and that public member asks for an easement between two lots. Engineer Wirth said that Intermountain doesn't want to provide an easement as there are other means to provide that easement: people can buy the property after the fact and put an easement on it. But Intermountain's position is that they prefer not to provide that easement and do the land donation.

Engineer Wirth explained the reasoning for the variance requests. The main one is about the sidewalks. Members of the Planning Board had a discussion regarding sidewalks and the reason why they ask for this variance is because there will be a 10% grade around the corners, and on the inside corners it makes it really steep. To make those sidewalks traversable, steps would have to be put in. And if the developers can't provide an IDA compliant facility, they feel that for liability reasons it is better not to provide that facility at all. There will be sidewalks on the outside perimeter, Intermountain is only asking for no sidewalks on two, interior, lots.

Engineer Wirth also addressed a point regarding narrowing the ROW: since there are not going to be sidewalks, they don't need 60 feet, and thus the width can be narrowed to 50 feet. The reason is because it provides more developable area and more taxable area, on those interior lots. Engineer Wirth said that he explained to the Planning Board that if the variance to eliminate the sidewalk is denied, his team would provide 7-foot boulevards, 5-foot sidewalks, and full 60-foot city streets. Engineer Wirth noted that if the first request for eliminating sidewalks is denied, the Commission can also deny the request for 50 feet instead of 60 because in that case, standard streets would be built.

Lastly, Engineer Wirth addressed the variance request for narrower alley width. He explained that per city standards, it should be a 20-foot alley, but he is asking for a 12-foot alley. Engineer Wirth explained that this is done for consistency, as with the existing platting, it becomes a utility corridor and will not be used for a vehicular access.

Engineer Wirth concluded that he and his team reviewed the staff report and concur with the analysis and the conditions with the exception of condition #4 (cash in lieu of the park land dedication). Intermountain would like to do the land donation for the park land dedication. That's the applicant's request and it is recommended by the Planning Board.

Rep. Mary Ann Dunwell, HD 84, said that she has heard a complaint that some of the residents were not notified of the projected development and encouraged that, in pursuing smart growth, residents from the broader area would be also notified.

Commissioner Ellison asked to clarify the procedure regarding discussing the variances. Mayor Smith said that this was the idea that Commissioners discussed during the last Administrative Meeting held on June 21. Commissioner Ellison said that he is in favor of the idea of having a loop street, no sidewalks on the internal part of the lot, reducing the width from 60 to 50 feet, and allowing 12 feet as opposed to 20 feet for the alley.

Motion

Commissioner Ellison moved approval for a variance from City Code 12-2-16(A)(5) to eliminate the installation of the sidewalk on both sides of the street and not install sidewalks across the frontage of lots 10 and 11 of the Intermountain Major Subdivision preliminary plat.

Commissioner Haladay seconded the motion.

Discussion

Commissioner Haladay noted that it does not necessarily make sense to have the sidewalks in the way that they are going to be configured around the internal corners. He noted that if the sidewalks are installed in the internal corner of the lot, then it would still be impossible to push up a stroller or wheelchair on those steps. Commissioner Haladay noted that it's a close call for him but he is inclined to agree that those sidewalks are not needed.

Commissioner Farris-Olsen agreed that it's a close call but he is going to vote against honoring this variance. He noted that perhaps in the future the City Commission will decide to install sidewalks in that area and he doesn't want to limit future Commissioners in not having this ability.

Mayor Smith noted that he is also against granting this variance.

Commissioner Haladay noted that everyone who spoke for or against approval of the preliminary plat made valuable points. Commissioner Haladay stated that the job of the Commission is to determine whether this preliminary plat meets the necessary conditions and he feels that it does. Commissioner Haladay said that he understands the concerns about the notifications; it is one of those situations where policy misses the purpose. But this plat meets all of the objective criteria that have been considered under Title 76 for this purpose. Commissioner Haladay noted that this is a relatively low impact kind of development for the in-field development, so he is going to vote favorably.

City Manager Alles clarified for the Commission that if they are granting the approval without the park land, it should be a 12-lot subdivision.

Amended Motion

Commissioner Ellison thanked City Manager Alles for clarification and amended his motion where it would be 12 lots instead of 13. Commissioner Noonan seconded the motion.

Discussion

Mayor Smith agreed with Commissioner Haladay that the conditions have been met, and regarding the notifications. Mayor Smith noted that he would welcome a state law that would require notifying a wider range of residents.

Vote

All voted aye, motion carried.

G. CONSIDER A RESOLUTION TO ADOPT FINAL BUDGETS, BUDGET AUTHORITIES, AND ANNUAL APPROPRIATIONS FOR FISCAL YEAR 2018

Staff Report

Budget Manager Robert Ricker reported the Local Government Budget Act, MCA, Title 7, Chapter 6, Part 4, requires the city to develop and adopt an annual budget. The annual budget development process has encouraged public participation and included:

- City Manager presentation of the Preliminary Budget to the City Commission on May 8, 2017;
- A City Commission budget work session held on May 23, 2017, at the Civic Center in which the entire Preliminary Budget was reviewed;
- Public Hearing Notices published in accordance with MCA 7-1-4127; and
- A list of amendments to the Preliminary Budget.

Budget Manager Ricker recommended to conclude the budget development process by:

- Conducting the public hearing on the Preliminary Budget to receive public input;
- Determining if there are any additional changes to be added to the list of amendments to the Preliminary Budget;
- Adopting the annual budget resolution for the final budget as amended.

State law requires the Commission's approval of the annual budget. Approval of the Annual Budget Resolution enhances the city's ability to conduct business in a timely and efficient manner, while maintaining effective budgetary controls.

Budget Manager Ricker recommended approval of a resolution adopting final budgets, budget authorities, and annual appropriations for the fiscal year beginning July 1, 2017, and ending June 30, 2018, as amended and setting the salary for municipal judge.

Discussion

City Manager Alles thanked the staff for the preparation of the FY18 budget and elaborated on the process of budget preparation and inclusion of feedback from the public. City Manager Alles noted that he and his team believe that this budget fits Helena's needs but that it is in Commission's purview to decide whether it is so. City Manager Alles noted that he would

welcome discussion on amendments and pointed out that it was brought to his attention that a \$500 for "Sun Run" was not incorporated in prepared amendments and that he wants to contribute this amount.

Commissioner Farris-Olsen referred to \$2,500 dedicated to a "Twin Cities" program and asked what that was for. City Manager Alles said that this program started last year and he is not sure if it materialized as he envisioned it; the city gets approached regularly to have a sister-city. Commissioner Farris-Olsen asked whether there is a need to keep that \$2,500 in the City budget. City manager Alles said that there is no need; but if this sum was left there, it would probably still be there at the end of the year.

Commissioner Haladay referred to page 157 of the meeting packet containing amendments and asked whether those items needed to be moved individually or as a packet. City Manager Alles said that it was not necessary that if the Commission wanted to move the COLA, it could be done as a package. Commissioner Haladay said that he referred to items like "Lewis and Clark Humane Society". City Manager Alles said that those items did not need to be moved individually and explained that the amendments were listed so that the Commission would consciously approve what he had included in the budget.

City Manager Alles reminded the Commission that it was discussed that he would meet with the management team from the Humane Society; it was pointed out that the agreements between the city and the Humane Society were a couple of decades old and it might be worth reviewing them again and perhaps having a different recommendation next year.

Commissioner Haladay referred to items, such as Friendship's Center and Friends of Pets and asked how they should be voted on. City Manager Alles said that the Commission could do those items in total; they were not included in preliminary budget. He emphasized that amendments could be moved individually or the Commissions might simply offer their own recommendations.

Commissioner Haladay referred to the items on the bottom of page 157 and asked if the motion could be to add those items. City Manager Alles concurred and added that he had a discussion with the energy audit. City Manager Alles said that he doesn't know that a separate appropriation is needed for that at the moment; if the Commission wants to pursue it, he could make it work within the existing budget.

Commissioner Ellison referred to the \$33,607 dollars for the Additional Peak Hours Overtime (OT) for Fire Department as shown in the top part of the General Fund section and asked whether this amendment needed to be moved forward with the discussion that the Commission had at their last budget meeting regarding how these shifts should be handled. City Manager Alles said that that amount was an estimate of what it would take to having to pay someone OT so that the 7th man could be kept on during the peak shifts, which were identified lasting from 8 a.m. until 8 p.m. City Manager Alles stressed that this is an estimate and likely would not provide enough to cover an additional fireman during non-peak hours.

Commissioner Ellison asked to remind him what dollar amount was discussed to be contributed to "Sun Run". Commissioners reminded him that the amount was \$500.

Commissioner Farris-Olsen asked whether it was necessary to eliminate the \$72,500 for primary elections since they were not taking place. City manager Alles said that if this amount was not removed, it would not get spent.

Commissioner Noonan said that he would like to separate the amendment regarding the additional OT during the peak hours at the Fire Department. Commissioner Noonan noted that it is within the City Commission's authority to ask for 7th person for each shift and said that the motion that he would prefer would be to fund equivalent to 7th person each

shift but to give the Fire Chief and the City Manager the ability to adjust that in some ways for the peak hours.

Public Testimony

Mayor Smith opened the public hearing and called for anyone wishing to address the commission. There being no persons wishing to address the commission, the public hearing was closed.

Commission Ellison praised the work of those involved in the preparation of the budget.

Motion

Commissioner Ellison moved approval for a resolution to adopt final budgets, budget authorities, and annual appropriations for fiscal year 2018 beginning on July 1, 2017, and ending on June 30, 2018, as amended and setting the salary for the Municipal Judge. Commissioner Haladay seconded the motion.

Amendment

Commissioner Farris-Olsen moved to amend the City Commission budget to eliminate \$72,500 for the primary election and \$2,500 for the "Twin Cities" agreement, reducing the overall Commission Budget by \$75,000. Commissioner Haladay seconded the motion. All voted aye, motion carried.

Motion

Commissioner Ellison moved a series of line items: an additional peak hours overtime for Fire Department at the discretion of the City Manager and Fire Chief of \$33,607, \$500 for the "Sun Run", \$400 for the Benton Ave Cemetery support, \$2,000 for the Helena-Area Friends of Pets support, and Commission-approved support payment to Friendship Center. Commissioner Farris-Olsen seconded the motion.

Friendly Amendment

Commissioner Farris-Olsen asked to amend the motion: to exclude the Fire Department from the budget because there would be a specific discussion about that. Commissioner Ellison said that he accepted the friendly amendment and that he aggregated out the first item, which was the peak hours overtime and leave the remaining four items. With no objections from the Commission the first item was removed from the series of items.

Vote

All voted aye, motion carried.

Amendment

Commissioner Haladay moved to amend the budget for additional peak hours of overtime for Fire Department in the amount of \$67,214. Commissioner Farris-Olsen seconded the motion.

Discussion

Commissioner Haladay explained his motion and said that mentioning of the 7th person eliminated the discussion with regard to the propriety of peak hours or non-peak hours; this money could be used as necessary within the budget.

Commissioner Farris-Olsen asked to confirm that the Commission was simply adding overtime hours for up to \$67,214 and that this money wouldn't necessarily have to be spent on peak hours. Commissioner Haladay concurred.

Commissioner Ellison asked whether the dollar amount under discussion was still considered to be at the discretion of the City Manager and Fire Chief. Commissioner Haladay confirmed that it would be at the discretion of the City Manager and Fire Chief; however, the direction regarding having the 7th person specifically was not in the motion.

Commissioner Ellison said that his inclination was to support the City Manager's recommendation and have the OT authorization for the peak hours and, therefore, was inclined not to support the motion as it stood unless it included specificity regarding the peak hours.

Mayor Smith stated that he would not support this amendment either; he stated that this amendment came to support emergencies during the peak hours and now it morphed into another FTE that the Commission didn't discuss during the budget sessions.

Vote **Motion carried 3-2 with Mayor Smith and Commissioner Ellison voting no.**

Amendment **Commissioner Farris-Olsen moved to amend the budget to eliminate the market rate adjustment for the 25 non-union members.**

Commissioner Haladay seconded the motion.

Discussion

Commissioner Farris-Olsen said that it was discussed that it was important to give to the staff cost of living adjustments and 2.5% this year is fair but the Commission needed to find a new, simpler, way to evaluate a market rate adjustments and decide whether that's including the state or county employees.

Mayor Smith clarified that the City Commission doesn't have motion for the 2.5% COLA; the commission hasn't acted on it.

Commissioner Noonan said that there were good reasons for looking at the system that's currently in place and that he had a discussion with the City Manager regarding the point that it would be better to hire employees at an adequate rate rather than apply rate adjustments. It's too late in the process right now to change it, however. It is important that the Commission looks at it over long term to make sure that the city is not outpacing the community by a large percentage with respect to on-going salary raises. All of those things could be investigated early in the next FY, and then the Commission could come up with a new system. Commissioner Noonan stated that he is not in favor of this motion at this time.

Commissioner Ellison agreed with Commissioner Noonan and said that he was not comfortable with this motion right now and would not support it.

Mayor Smith said that he would be opposing this motion as well.

Commissioner Haladay said that he has had problems with the market readjustments for some time and a more fair thing to do would be to apply the 2.5% COLA and then come back next year and check if any given position is still below. Commissioner Haladay noted that this particular process lacks transparency.

Commissioner Noonan noted that the Commission didn't need to wait until the next budget; this issue needs to be looked at within the next 6 months. Commissioner Noonan asked City Manager whether this seemed reasonable.

Mayor Smith noted that if the Commission wanted to revise the market-base pay plan, this step could be done at any time, even during the next administrative meeting.

Commissioner Farris Olsen asked what the total amount of market rate adjustment was, excluding the Fire Dispatch and Police. City Manager Alles said the total market adjustment was about \$79,000.

Commissioner Farris-Olsen asked whether, if the Commission voted favorably on this motion and on the COLA, it would amount to approximately \$250,000. City Manager replied that excluding the Fire, Dispatch and Police, which was not approved yet, the amount was correct.

Commissioner Haladay asked to confirm that the amount of approximately \$173,000 comes out of the General Fund. City Manager Alles concurred.

Mayor Smith clarified the motion that it was to eliminate the funding for the market-based pay adjustments on the FY 2018 budget.

Vote **Motion failed 2-3 with Mayor Smith, Commissioner Ellison, and Commissioner Noonan voting no.**

- Amendment** **Commissioner Ellison moved approval of COLA increase of 2.5% as City Manager identified it in the “List of Amendments to the FY 2018 Preliminary Budget”.** Commissioner Noonan seconded the motion.
- Discussion** Commissioner Ellison noted that in the last two years the city staff did not receive a COLA and that he has been concerned about that. However, this year there is a capacity to do that.
Mayor Smith said that he intended to support this motion.
Commissioner Farris-Olsen said that, like with the previous motion, he didn’t understand where the increase percentage comes from. He noted that the previous motion, in essence, was to give the 25 non-union members a COLA increase; and this was part of his concern: the way the system plays out. Commissioner Farris-Olsen agreed, however, that the staff does need an increase to adjust to the inflation, etc., but the Commissioner was concerned with the lack of transparency as was noted earlier.
Commissioner Haladay said that he was going to support this motion with some reservation; he preferred to see a 2% increase as opposed to 2.5% in keeping with the market increases, but the commissioner didn’t want to punish the staff for this, even though some of the staff would end up having a 7% increase. Commissioner Haladay noted that the best way to approach this would be to look at year over year COLA’s and discuss what the city can do in a transparent fashion.
- Vote** **All voted aye, motion carried.**
- Vote on the Original Motion as Amended** **Mayor Smith announced vote on the FY 2018 Budget as amended.** All voted aye, motion carried. **Resolution 2051**
- Public Communications** PUBLIC COMMUNICATIONS
No comments received.
- Meetings of Interest** MEETINGS OF INTEREST
The next Commission Meeting is July 10, 2017.
- Adjournment** There being no further business to come before the Commission, the meeting was adjourned at 9:53 p.m. p.m.

Mayor

ATTEST:

Clerk of the Commission