

SUMMARY OF ADMINISTRATIVE MEETING
June 20, 2018– 4:00 p.m.
Room 326, City-County Building
316 N. Park Avenue

1. Call to order, introductions, opening comments – Mayor Collins called the meeting to order. Commissioners Farris-Olsen; Haladay; Noonan and O’Loughlin were present. Staff present was: City Manager Ron Alles; Interim City Manager Dennis Taylor; Executive Assistant Sarah Elkins; City Attorney Thomas Jodoin; Deputy City Attorney Iryna O’Connor; Police Chief Troy McGee; Fire Chief Mark Emert; Community Development Director Sharon Haugen; Parks & Recreation Director Amy Teegarden; Public Works Director Randall Camp; City Engineer Ryan Leland; Engineer David Knoepke; Community Facilities Superintendent Troy Sampson; Administrative Services Director Glenn Jorgenson; Budget Manager Libbi Lovshin; Human Resources Director James Fehr and City Clerk Debbie Havens.

Others in attendance included: HCC Representative Sumner Sharpe; Paul Cartwright; Clarke Street residents Paul Spengler, Steve Nelson, Pam Attardo and Bill Allen; MBAC Director Brian Oberg, BID Board member Rex Seeley, Health Officer Drenda Neiman; Julianna Hallows, Jennifer Prebil.

2. June 6, 2018 Administrative Summary – The June 6, 2018 administrative meeting summary was approved as submitted.

3. Commission comments, questions – Upcoming Appointments – No board appointments.

Mayor’s Challenge on Suicide Prevention – Mayor Collins introduced Drenda Niemann who gave an update on the Mayor’s Challenge on Suicide Prevention. Julianna Hallows and Jennifer Prebil also addressed the commission and spoke on their roles with the Mayor’s Challenge on Suicide Prevention.

4. City Manager’s Report – Manager Alles reported Fire Chief Emert has requested a letter from Mayor Collins in support of the SAFER grant. The grant has not been awarded; however, the grant application is going through the review process.

Manager Alles reported it is staff’s recommendation to postpone the Front Street stormwater project until the spring 2019. This will allow a more responsive bid process when the contractors are not all busy with the summer projects. Engineer Leland highlighted the reason for staff’s recommendation and commented even if the bid is let this summer the project would not be completed this year and he would not recommend doing a phased project.

Commissioner O’Loughlin asked the reasoning why it could not be completed this year. Engineer Leland stated the estimated construction time is 180 days once the contract is awarded. However, the project has not even been put out to bid and by the time it is awarded it will be the middle of September before construction would begin.

Commissioner Noonan asked how the budget will be handled for this project. Engineer Leland stated the funding would be carried over to the FY19 budget.

Commissioner O’Loughlin asked if the crosswalks in the area will be re-painted even though the project is not moving forward. Engineer Leland stated the crosswalks will be painted this season.

BID member Rex Seeley asked if Front Street is going to be a complete street project. Manager Alles stated yes, the plans are available for review.

5. Department Discussions
Community Development

Cruse Avenue Right-of-Way – Community Development Director Haugen reported David Nielsen has finished his research on the Cruse right of way adjacent to the old Federal building. She referred the commission to the copy of the report that he has completed. At the end of the report, he summarized the steps needed to dispose of the right of way. They included:

- 1) Request approval from the Transportation Commission to remove portions of the right of way from the urban highway system. This action has not been completed by

the Transportation Commission. A letter confirming this was given to the commission.

- 2) Vacate the portion of the right-of-way that is no longer needed for street right-of-way
- 3) Arrange to acquire the vacated portion of the right-of-way from the owner of the adjacent property to which the vacated right-of-way reverted. This may require subdivision review.
- 4) Cause an amended plat to be prepared for the newly created lot containing the acquired vacated right-of-way.
- 5) Determine the ultimate ownership and use of the parcel.

City Engineering has completed the conceptual design for the Cruse right-of-way redesign and would be able to further discuss that at the next Administrative meeting or at the first one in July. Once the design has been completed, the City could begin that vacation process for that portion that no longer will be needed if that is the desire of the commission.

Director Haugen stated staff is looking for direction to finish design and move forward with the other recommendations.

Commissioner Haladay asked staff to explain the vacation and reversion to adjacent property owner process and avoid subdivision review. Director Haugen stated when right-of-way is vacated, it has to go to adjacent property owners. If the property is subdivided, the city would have to do an amended plat to create a buildable lot. Access also has to be given to the adjacent property owners.

Director Haugen stated the vacation of right-of-way can be done; however, a decision needs to be made on the configuration of Cruse Avenue. She has talked with several housing developers that have some ideas.

Commissioner Haladay asked if there is a conceptual design available. Engineer Leland stated yes there is a conceptual design of Cruse Avenue from Park Avenue to Broadway.

Manager Alles stated staff will bring the design forward at an administrative meeting in July. In the meantime they will reach out to Homeward regarding Cruse Avenue, Lockey Islands and the bus depot properties.

Paul Cartwright addressed the commission and referenced David Nielsen's report and noted the city is the adjacent property owner on 80 to 85% of the property adjacent to the right-of-way. He then spoke on how the area could be designed to create 4 to 5 acres parcel of property that could be developed.

Commissioner Haladay thanked Mr. Cartwright for his explanation on the possibilities of what needs to happen if we were going to use the property which would require the city to vacate a minimum amount of right-of-way. Director Haugen asked for clarification on the property to include in the proposal that will be brought forward.

Commissioner Haladay asked if we create a subdivided piece in the middle, could you then vacate a narrow stretch of right-of-way to create a sellable lot and avoid the vacation of right of way.

Attorney Jodoin stated the design is critical; you have to terminate the public's right to use the right of way and then you have to vacate the right of way. Director Haugen again stated staff will bring forward a proposal with the documented information

Staff will also bring forward a conceptual design that reflects the alternatives discussed today.

Bus Depot Solicitation for Bids – Community Development Director Haugen stated there are two different RFP/bid solicitations for the property located at 630 N. Last Chance Gulch. The first is a Call for Bids and is a general solicitation for bidders who may want to purchase the property. There are no additional conditions placed on the future use of the property or no time limits for which it must be developed. The city commission may use this format and add some conditions that must be met in order for it to be considered "a responsive bid." This process is similar to the general solicitation for bids used by many cities when they are disposing property.

The second is what is called a Request for Development Proposals and it is modeled after similar solicitations that other communities have used when there is desire to place conditions on the sale and development of the property. Different terms and conditions may be used depending on the priorities of the Commission and the goals for the property.

City staff is working with an appraiser to establish the value of the property. City code has an established process for the sale of City property under HCC 1-4-17. There must be an appraisal done on

the property and a public hearing must be held to solicit public comments regarding the disposal of the property.

Staff is looking for guidance as to which approach the commission may want to use to move forward on the disposal of the old Bus Depot property and if the commission wants to set any conditions regarding the sale and use of the property.

Director Haugen reiterated there are two options the commission can consider. The city of Billings used the call for bids process. The commission could also place parameters on the property that would be included in the proposals. Director Haugen stated MBAC representatives and city staff believe both options have merit.

Staff has contacted appraisers to get an appraisal done and the soonest one can be completed is the middle of August. The property originally was a gas station and there was an underground storage; one question is do we want to do a Phase I Assessment. The city when purchasing the property, took the property as is. The commission could also consider selling the property as is.

Director Haugen noted staff is looking for direction on how to move forward.

MBAC Director Brian Obert stated MBAC does assist with Phase I Assessments; there are some stipulations that are required including the commitment to sale the property. Director Haugen stated the Department of Revenue has the property assessed at \$350,000.

Commissioner Farris-Olsen asked staff to reach out to organizations to see if they want the property and what they propose to do with it. He also would recommend the city complete the Phase I Assessment.

Director Haugen reminded the commission the Downtown Master Plan requires that commercial uses be on the ground level and housing on the upper levels. Director Haugen will talk with Homeward within the next month and report back to the commission.

Manager Alles stated staff will work with MBAC to complete the Phase I Assessment and reach out to Homeward to ask if they are interested and will move forward with the appraisal. The RFP process will be put a hold if Homeward is interested in the property.

Clark Street Project – Manager Alles stated Clarke Street was left in the budget; however, the commission could choose to do another street project and the funding could be moved.

Commissioner Haladay asked if utility replacements are in the budget. Manager Alles stated yes. Engineer Leland stated staff took a step back from Clarke Street to consider other streets.

Public Comment: The following persons spoke in favor of the Clark Street project and emphasized the importance public meetings and discussions: Paul Spengler, Steve Nelson, Bill Allen and Pam Attardo.

Paul Cartwright with Growing Friends addressed the number of trees that are proposed to be removed from Clarke Street and the replacement of the trees.

Administrative Services

Rates Discussion Follow-Up - Administrative Services Director Jorgenson referred the commission to the following rates that were discussed and consensus reached at the June 6th administrative meeting:

Residential Impact of Rate Increases

	FY18	FY19	Total Increase
Water:			
Computed Preliminary Rate Increases		4.00%	
Current Rates			
Residential Base (per month)	\$ 7.50	\$ 8.25	
Residential Rate (0*8 units)	\$ 2.90	\$ 2.90	
Residential Rate (8-15 units) (11 units average residential usage)	\$ 3.10	\$ 3.25	

Average Monthly Charge (11 units)	\$ 40.00	\$ 41.20	
Monthly Increase		\$ 1.20	\$ 1.20
Annual Increase		\$ 14.40	\$ 14.40

Wastewater:

Computed Preliminary Rate
Increases

FY18	FY19
	5.52%

Total Increase

Current Rates

Residential Base (per month)	\$ 7.70	\$ 8.48	
Residential Usage Rate (per unit)	\$ 2.91	\$ 2.91	
Total Residential Monthly Rate	\$ 10.61	\$ 11.39	

Average Monthly Charge (7 units)	\$ 28.07	\$ 28.85	
Monthly Increase		\$ 0.78	\$ 0.78
Annual Increase		\$ 9.36	\$ 9.36

Stormwater:

Computed Preliminary Rate
Increases

FY18	FY19
	22.29%

Total Increase

Current Rates

Annual Residential Average Charge	\$ 49.64	\$ 55.34	
	\$ 49.64	\$ 55.34	

Residential Charge per Month	\$ 4.14	\$ 4.61	
Monthly Increase		\$ 0.47	\$ 0.47
Annual Increase		\$ 5.70	\$ 5.70

Streets:

Computed Preliminary Rate
Increases

FY18	FY19
	18.14%

Total Increase

Current Rates

Annual Residential Charge	\$ 155.33	\$ 167.15	
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Residential Charge per Month	\$ 12.94	\$ 13.93	
Monthly Increase		\$ 0.98	\$ 0.98

Annual Increase \$ 11.82 \$ 11.82

Residential Solid Waste:	FY18	FY19	Total Increase
Computed Preliminary Rate Change		0.00%	

Current Rates

Annual Residential Charge	\$ 176.10	\$ 176.10	
Residential Charge per Month	\$ 14.68	\$ 14.68	
Change		\$ -	\$ -
Change		\$ -	\$ -

Open Space:

	FY18	FY19	
Computed Preliminary Rate Increase		19.5%	
Residential Average Charge per Year (Includes average impervious charge)	\$ 19.35	\$ 20.14	

Current Rates

Annual Residential Base Charge	\$ 17.78	\$ 17.78	
Annual Residential Impervious Charge	\$ 0.00221	\$ 0.00332	
Monthly Increase		\$ 0.07	\$ 0.07
Annual Increase		\$ 0.79	\$ 0.79

TOTAL MONTHLY INCREASE	\$ 3.50
TOTAL ANNUAL INCREASE	\$ 42.07

Commissioner O'Loughlin asked how these increases compare to previous years increases. Administrative Services Director Jorgenson stated the proposed increases are comparable to the last few years.

Manager Alles stated if there is commission concurrence with the proposed rates, staff will advertise them and the commission can always amend the rates to go lower; however, they cannot be increased. The resolutions of intention will be on the July 16th commission meeting and the public hearings will be held in August.

Commissioner Noonan addressed the street maintenance assessment and the condition of Airport Road. He noted even if the assessment covered over one-million square feet, it would not be enough to fund the repair of Airport Road. Manager Alles concurred and noted at one time the Airport

Authority did not support creating an SID; however, staff can reach out to them again. Manager Alles stated with all the rates, they generate revenue to pay for the funding of the projects.

Commissioner Haladay asked what the estimated costs of Airport Road are. Engineer Leland stated the last estimated cost was five-million; however, if utilities are included it could go up to nine-million.

Commissioner Haladay clarified the total annual increase for residents is \$42.07. Manager Alles concurred.

Commissioner O'Loughlin asked how the proposed rates are advertised. Director Jorgenson stated the ad includes the annual increase both by dollars and percentage.

There was commission consensus to move forward as recommended in staff's memo.

Director Jorgenson asked for direction on how the commission wants to see the ending fund balances for FY18 prior to considering a COLA for FY19. He noted approximately 50% of the COLA increase is in the general fund.

Commissioner O'Loughlin stated the general fund is the one most affected by the COLA; she asked if there are any other funds that add up to 20% of the overall COLA. Manager Alles stated the other funds would be under Public Works and no individual fund would be 20%. He would recommend the commission focus on the general fund when considering COLA for employees.

Commissioner Haladay stated the general fund is the one he is interested in seeing the numbers for. The others are important regarding capital purchases and personnel costs.

Manager Alles noted one option the commission could consider is to approve the budget that includes a COLA and make it contingent on the cash savings for FY18 and make a decision on the COLA when the final numbers are available. This would give the commission the opportunity to look at the ending cash balances and would not have to reopen the budget and hold another public hearing.

Commissioner O'Loughlin stated the COLA would be contingent upon further action of the commission; the employees need to be given a clear message on the process the commission is considering.

Commissioner Haladay stated if the commission is going to include a COLA when adopting the budget, the amount needs to be included in the numbers as adopted on June 25th. Manager Alles stated staff has prepared those numbers for the commission to consider.

6. Committee discussions

- a) Audit Committee, City-County Board of Health, L&C County Mental Health Advisory Committee, Montana League of Cities & Towns -- Mayor Wilmot Collins – No report given.
- b) Mayor Pro-Tem, Audit Committee, Helena Chamber of Commerce Liaison, Information Technology Committee, Public Art Committee - – Commissioner Andres Haladay – No report given.
- c) Board of Adjustment, Civic Center Board, Non-Motorized Travel Advisory Board, Transportation Coordinating Committee – Commissioner Rob Farris-Olsen – No report given.
- d) ADA Compliance Committee, Business Improvement District/Helena Parking Commission, City-County Administration Building (CCAB), Montana Business Assistance Connection – Commissioner Ed Noonan – No report given.
- e) Audit Committee, City-County Parks Board, Transportation Coordinating Committee - Commissioner Heather O'Loughlin – No report given.
- f) Helena Citizens Council – HCC Chair Sumner Sharpe reported the HCC has 23 members and they continue to recruit new members.

7. Review of agenda for June 25, 2018 Commission meeting –

Release of Easement for Sussex Construction – Manager Alles stated staff has provided the following three options for commission consideration regarding the release of easement:

1. Move to conditionally approve the release of the City's interest in the north nine foot (9') of the pedestrian trail and utility easement across the southern lot line of Lot 15, as shown on Certificate of Survey No. 3115068. With the condition that Sussex and the City negotiate an estimated cost based on a percentage of the main replacement for the future repair, replacement of relocation and have Sussex pay now.

2. Move to approve a conditional release of the City's interest in the north nine foot (9') of the pedestrian trail and utility easement across the southern lot line of Lot 15, as shown on Certificate of Survey No. 3115068. With the condition that Sussex will re-contour the easement with an approved plan from the City to allow for a better area to operate and work on the main.

3. Move to conditionally approve the release of the City's interest in the north nine foot (9') of the pedestrian trail and utility easement across the southern lot line of Lot 15, as shown on Certificate of Survey No. 3115068 with a condition that an agreement with Sussex Construction will be to negotiate a payment for the future increased cost of fixing, relocating.

Manager Alles noted Mr. Bartsch's preference is to push it down the road and in the future if there are costs he would agree to pay the difference; staff is concerned with this option. Staff recommends Option 1 and will develop costs for consideration at the June 25th commission meeting.

Commissioner Noonan asked if Sussex Construction will accept the commission's decision. Engineer Leland stated they would have to as the homeowners need to have the issue resolved to finalize their financing.

Attorney Jodoin expressed concerns with the agreement submitted by Sussex's attorney that includes language regarding "above and beyond costs." He believes there needs to be a figure of what the costs would be due to the many variables associated with repairing the water main.

Commissioner O'Loughlin stated the original conversation included an indemnification agreement for any claims against the city. Attorney Jodoin stated indemnification language is included in the proposed agreement; which is similar to what the city agreed to with the school district.

8. Public comment – No public comment received.

9. Commission discussion and direction to City Manager – Commissioner Farris-Olsen noted at the June 11th meeting, the commission approved over six-million dollars in projects. He asked for an update on where in the process the resolutions on the use of apprenticeship programs and contract accountability are. Attorney Jodoin state the resolutions are drafted; however, city code needs to be updated where it requires projects to be bid. At this time, we do not have the threshold and makes the resolutions functionally pointless. There are city projects that do not fall under the requirement to go out for bids. He has additional questions that he needs to do research on.

10. Adjourn – The meeting adjourned at 5:25 p.m.