

SUMMARY OF ADMINISTRATIVE MEETING
February 23, 2011, 4:00 p.m.
Room 326, City-County Building - 316 N. Park Avenue – Helena

1. Call to order, introductions, opening comments – Mayor Smith called the meeting to order and asked Mayor Pro Tem Cartwright to chair the meeting. Mayor Pro Tem Cartwright and Commissioners Ellison, Elsaesser and Thweatt were present. Staff present was: City Manager Ron Alles; Executive Assistant Clinda Feucht; Community Development Director Sharon Haugen; ADA Coordinator Elroy Golemon; Community Facilities Director Gery Carpenter; Parks & Recreation Director Amy Teegarden; Public Works Director John Rundquist; Assistant Public Works Director Phil Hauck; City Engineer Ryan Leland; Human Resources Director Rae Lynn Nielsen; City Attorney David Nielsen; Administrative Services Director Tim Magee, Budget Manager Robert Ricker, Fire Chief Steve Larson, Police Chief Troy McGee and City Clerk Debbie Havens. Others attending all or a portion of the meeting included: HCC representative Carrie Severson.

2. **February 9, 2011 Administrative Meeting Summary** – The February 9, 2011 administrative summary was approved as submitted.

3. **Commission comments, questions -**

A. Upcoming Appointments – There are no appointments on the February 28, 2011 city commission meeting agenda.

Mayor Pro Tem Cartwright noted when the commission approved the Airport Authority Renewal resolution there was one item that needed to be brought forward regarding the Airport's Board of Adjustment. City Attorney Nielsen stated he is working on this and will bring it forward.

4. **City Manager's Report**

A. Budget Guidance –City Manager Alles referred the commission to the resolution and noted he is using the document as what needs to be changed and not the status quo services. He then referred the commission to Part Three and recommended the items contained within be moved to the matrix that is a constantly changing document.

The commission reviewed and discussed the changes recommended by City Manager Alles and submitted by individual commission members.

There was consensus to move Part III to the matrix. Staff will make the concurred amendments/changes and bring it forward for commission consideration. A new resolution with the concurred amendments/changes will be sent electronically to the commission on Friday, February 25th. Commissioners should submit their comments to the city manager by Wednesday the 2nd of March.

B. Cell Phone Restrictions – City Manager Alles reported Senator Kaufman has a bill going through the legislative process regarding cell phone restrictions. Manager Alles recommended the city of Helena wait until after the session before making any decisions. There was commission concurrence to wait to see what happens with her bill before proceeding on this issue.

5. **Department Discussions**

Administrative Services

Mid-Year Budget Review – Budget Manager Robert Ricker reported the city's budget components are continuously reviewed throughout the year. Each department is responsible for managing and monitoring their budget to ensure adherence to the legally adopted budget. In addition to these departmental reviews, the Budget Office periodically reviews major budget areas throughout the year and contacts departments whenever potential concerns are found. Appropriate actions, usually a budget amendment or an accounting adjusting entry, are initiated whenever necessary.

A comprehensive budget review is performed after the close of the December (mid-year) books in early January. This budget review includes analysis of the current budget status and projections of trends and expectations through the end of the fiscal year. Departments are solicited for feedback on areas of potential concern and any questionable areas departments may know of. This process cannot catch all budget management challenges, but the review does provide for detection of more obvious or predictable concerns.

Aside from the exceptions listed below, the recent mid-year review shows that city operations are proceeding as anticipated and are expected to stay within their bottom line constraint budget parameters. A summary of findings is as follows:

Personal Services: Generally, personal services expenses are looking good at mid-year and, with department confirmations, are projected to remain within original budget parameters with one exception. Projections show no unmanageable major areas of concern at this point. One department is

currently projected to exceed their original personal services budget by year end as noted below.

Engineering: Temporary salaries are projected to cause a budget overrun in the Engineering Department's personal services area by the end of the year. This is due to Public Works holding a temporary position on longer than originally planned to complete a high-priority GIS project to inventory ADA sidewalk ramps in the city. The department decided it would be more cost effective to retain the services of the temporary employee who began the project in order to finish the project and do so in a timely and efficient manner. The project is now essentially completed and a report is being drafted on the results and will be presented to the commission very soon. The temporary employee is scheduled to be released in the next week or two. Estimates currently project about a \$20,000 overrun at year-end. The department has determined that the expected budget overrun can be managed through saving in other areas of the Public Works budget.

M&O – In the course of any budget year some line items end up with a budget surplus while others show a budget overrun. This is normal and is the nature of the budget plan and predicting estimated costs and usage versus the actual costs and requirements to maintain operations.

There were line items found in various departments that appeared might cause budget concerns by fiscal year-end on an individual line item basis. However, in all cases, as confirmed with each department, the analyses have shown either no anticipated budget problem by year-end or that possible line item budget overruns would be covered with savings from other lines within bottom line budget authority.

General Fund Revenues – General Fund revenues are coming in very close to original projections in most areas, with the fund as a whole expected to come within about 98 – 100% of budgeted revenues barring any major unforeseen changes. Some of the larger deviations from budget are as follows:

License & Permits – We do not expect to collect a full year of cable TV franchise fees in FY11. This is due to a timing change of payments. The franchise contract calls for two-semi-annual payments to be made. In the past, Bresnan Communications has paid those fees in four quarterly payments. Recently Bresnan was purchased by another company (Cablevision) who has elected to make semi-annual payments. In early FY11, we received a quarterly payment for the last quarter of FY10 and in early February received a semi-annual payment. The next semi-annual payment is not expected until July or August. This will leave us with only three quarters of payments this year, but will resume full year payments beginning in FY12. This timing change will leave the city about \$52,000 short of budgeted revenues for FY11.

Charges for Services – Swimming Pool: We project pool revenues will be about \$12,000 lower than budgeted. This is attributed to weather factors – a cooler and wetter summer (thunderstorms) than expected. Although this leaves revenues short of budget, there are also operational savings expected that will likely more than offset the reduced revenues providing a net positive effect on the General Fund.

Interest Earnings: In spite of reducing interest expectations from the prior year, we are projecting a short-fall in interest earnings of about \$10,000 for FY11. The struggling, but slowly recovering economy continues to produce an investment market with very low earnings.

Other Fund Revenues – Revenues in funds other than the General Fund are looking to come in at or above projected levels assuming no major changes in trends. The Public Works utilities funds (Streets, Water, Wastewater, Solid Waste, Transfer Station/Recycling, Bus and Shop) are nearly all projected to exceed their budgeted revenues due to budgets being set based on rates in effect at the time budgets were adopted. Rate increases adopted for those funds in August are projected to bring in revenues in excess of budgeted amounts.

The one exception to this is the water fund. Due to a wetter than expected summer and fall, irrigation usage was down from expected levels resulting in reduced revenue. However, the 5% rate increase adopted in August is projected to offset this reduced usage. Revenues are currently projected to come in at budgeted levels. This can change if we have a wet spring and irrigation usage again drops from expected levels. Weather is always an important factor in the water fund.

The Budget Office will conduct further periodic reviews of department budgets throughout the

remainder of the fiscal year in order to determine if projections or budget conditions have changes. Any significant changes will be discussed with the appropriate department. Where necessary, possible courses of action will be determined and conveyed to the City Manager.

Commissioner Elsaesser asked if the licensing and permits shortage is due to the timing. Budget Manager Ricker concurred.

Mayor Pro Tem Cartwright asked if the property tax payments are coming in as anticipated. Manager Ricker stated the city is right on track for the collection of property taxes.

Mayor Pro Tem Cartwright asked if the street department is still doing okay with the street plowing budget. Assistant Public Works Director Phil Hauck stated at this time, the budget is doing okay. Staff will continue to monitor it and keep the commission informed. A part of the savings is staff is using the recycled sand.

Commissioner Ellison thanked City Manager Alles and Administrative Services staff for the report. It is a good document for the commission to receive half way through the fiscal year.

Fire Department

Hazardous Materials Vehicle Grant – City Manager Alles and Fire Chief Larson reported the 100% Federally Funded Homeland Security Grant Program 2010 in the amount of \$600,000 for the purpose of purchasing four Hazardous Materials Regional Response Vehicles.

The cities of Helena, Bozeman and Great Falls Fire Departments, and Missoula Rural Fire District are using different vehicles that have been provided by each department. Staff is recommending the commission accept and authorize City Manager Alles to sign the 100% Federally Funded Homeland Security Grant Program 2010 for the purpose of purchasing four Hazardous Materials Regional Response Vehicles.

The commission was referred to the interlocal agreement between the City of Bozeman, City of Helena, City of Great Falls, and Missoula Rural Fire District for the purpose of purchasing Hazardous Materials Regional Response Vehicles. The proposal is to accept the interlocal agreement to receive, administer and distribute the grant funds in the amount of \$600,000 for the purpose of purchasing the vehicles.

Public Works

ADA Prioritization – City Engineer Ryan Leland reported as part of the ADA complaint filed with FHWA, city staff has inventoried all the ADA ramps within city right-of-way. Then the ADA committee adopted five priority routes or areas for city funding to replace the ADA ramps. FHWA is requiring the city to establish priorities for the transition plan and develop a plan to bring the ADA ramps up to current standards. Staff is requesting direction on two different items. First, direction on the priorities as recommended by the ADA committee and second, on the policy for funding the ramps to bring them up to current ADA standards.

Engineer Leland showed a PowerPoint presentation on the ADA Ramp Inventory; the ramp rating chart and map; ramp count for entire city, cost per ramp and total costs for all ADA ramps; ADA Committee priorities for city funding and staff recommendations.

ADA Coordinator Elroy Golemon reported on the process the ADA Committee used to develop their recommendation.

Commissioner Elsaesser noted there might be comments the central area of the city has been identified. Commissioner Ellison asked how an ADA District would be created and how much would it cost. City Engineer Leland stated to complete the ADA ramps in the priority one area the cost would be \$140,000; to complete the ramps in all five priority areas would be approximately \$700,000. He then reviewed the following staff's recommendation:

- Set up an ADA District
- City would fund 100% of the ADA ramps within the priority routes or area
- City would participate at 50% for all other ADA ramps outside the priorities
- All new developments would be responsible for the cost of installing the initial sidewalk

- and ADA ramps
- A new house on an existing lot the adjacent landowner would be 100% responsible
- Private and public construction projects are 100% responsible for replacing the ADA if disturbed during construction.

Public Works Director Rundquist noted CTEP funds could be used as a match to fund the construction of ADA ramps.

Community Development Director Haugen reported she met with Marcie Allen with Federal Highways and showed her this recommendation. Ms. Allen was very pleased with the report and is using Helena as an example to other communities and believes the city is in compliance.

5. Committee discussions

- a) ADA Compliance Committee, Audit Committee, Board of Health, Civic Center Board, Montana League of Cities and Towns – Mayor Smith – No report given
- b) Audit Committee, Board of Adjustment, Non-Motorized Travel Advisory Committee, Intergovernmental Transit Committee – Commissioner Cartwright – No report given
- c) Helena Chamber of Commerce, Information & Technology Services (IT&S), Montana Business Assistance Connection (MBAC), Pre-Release Screening Committee – Commissioner Ellison – No report given
- d) Audit Committee, City-County Weed Board, Public Art Committee, TCC – Commissioner Elsaesser – No report given
- e) BID/HPC, City-County Admin Building Board, City-County Parks Board, TCC - Commissioner Thweatt – No report given
- f) Helena Citizens Council – HCC representative Carrie Severson stated she had no items to report on.

Review of agenda for February 28th meeting – No discussion held.

8. Public Comment – No public comment received.

9. Commission discussion and direction to City Manager – No discussion held.

10. Adjourn – Meeting adjourned at 6:00 p.m.