

SUMMARY OF ADMINISTRATIVE MEETING
February 22, 2012 - 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. Commissioners Ellison, Elsaesser, Haque-Hausrath and Thweatt were present. Staff present was: City Manager Ron Alles; Executive Assistant Clinda Feucht; City Attorney Thomas Jodoin; Community Development Director Sharon Haugen; Police Chief Troy McGee; Human Resource Director Rae Lynn Nielsen; Public Works Director John Rundquist; Assistant Public Works Director Phil Hauck; HATS Supervisor Steve Larson; HATS Administrative Assistant Barb Sheridan; Administrative Services Director Tim Magee; Budget Manager Robert Ricker; Building Official Brandt Salo and City Clerk Debbie Havens.

Others attending all or a portion of the meeting included HCC Representatives Jim McCormick and Diane Papineau.

2. **February 8, 2012 Administrative Meeting Summary** – The February 8, 2012 administrative summary was approved as submitted.

3. **Commission comments, questions –**

Mayor Smith noted he needs to leave the meeting at 5:00 today.

Commissioner Elsaesser asked for an update and discussion on the remaining Park Bond funds for Centennial Park, specifically the dog park, climbing area and BMX features. All three of these items were in the language of the bond that was passed. Even if it means there is a delay in replacing the basketball courts and providing a picnic facility, he would support setting aside remaining funds for the three features mentioned above.

City Manager Alles noted during the budget process the commission will have the discussion on Phase II funding and what amenities should be funded. Parks & Recreation Director Teegarden is prepared to update the commission and what community partnerships she is working with to accomplish the completion of Phase II. Commissioner Thweatt noted another community has had trouble regarding the liability of dog parks; he asked staff to look into it.

HCC member Jim McCormick reported HCC member Albert Bruce Clark passed away last week. The HCC has reached out to Albert's family. Mayor Smith asked at the city commission meeting on February 27th, the HCC representative read the communication between the HCC and Albert Bruce Clark's family. Mayor Smith offered to read the information and ask for a moment of silence.

Upcoming Appointments – Mayor Smith is recommending the appointment of Commissioner Elsaesser as the city commission representative to the Helena Chamber of Commerce Board of Directors.

4. **City Manager's Report**

City Manager Alles reported contrary to several citizens comments, there has been no decision made on the design of mini mal-function junction. There was a stakeholders meeting in December and a second one scheduled for March 6th. The consultants are working on a modeling design to be available at the March 6th meeting; which is open to the public. City staff is leaning toward a roundabout; however, no decision has been made.

Commissioner Haque-Hausrath stated she had visited with Dr. Henriksen, whose practice is at 534 N. Last Chance Gulch and their concerns are with pedestrian flow and safety. Manager Alles noted the adjacent property owners' concerns include pedestrian traffic and parking. Mayor Smith stated he had been contacted by an individual regarding this intersection and as of today, there are comments on facebook.

Commissioner Thweatt asked for additional information on pedestrian safety regarding roundabouts. Public Works Director Rundquist will provide information to the commission. Commissioner Elsaesser spoke on the pedestrian safety with roundabouts.

Commissioner Elsaesser asked if the two options for the intersection are available on the city's webpage. Director Rundquist noted the plans are still in draft stage and once they are finalized, they will be available on the city's web page. Mayor Smith noted he has asked that the intersection of Neill and Fuller be included in this project. Director Rundquist stated this intersection would not be part of the roundabout project; however, there have been funds allocated for improvements to the Fuller/Neill Avenues intersection.

Commissioner Elsaesser asked for an update on the proceedings of the Water Court with regard to Helena's Ten Mile Water Rights. City Manager Alles reported today was the deadline to submit the city's objection to the Supplementary Master's Report. He stated the objection was very well put together. Staff anticipates a response should be received within one-month. The law firm of Luxan/Murfit has been retained to assist with moving this forward.

Commissioner Elsaesser stated he will be ready to allocate additional funding necessary to move this issue forward. At some point, the city should review all of the city's water rights.

Commissioner Ellison thanked City Manager Alles for filing the appeal and asking for the hearing. He emphasized the importance of the water rights on Ten Mile.

Mayor Smith emphasized the most important issue the city has is protecting the city's water rights on Ten Mile and noted former City Attorney David Nielsen emphasized that regularly.

City Manager Alles stated he will provide an update to the resolution of commission intent in the near future; he asked the commission to begin thinking about what they would like to include in the document. For Commissioner Haque-Hausrath's benefit, he gave the example of funding specific projects/personnel that requires budget authority.

5. Department Discussions

Public Works

HATS Budget and Annual Grant Application – City Manager Alles introduced the process that is used regarding the HATS budget and the grant funding application.

HATS Supervisor Steve Larson reported the FY 2013 Section 5311 Transportation Assistance grant is a primary funding source for the HATS bus system. In FY 2013 HATS will be requesting \$604,931 of a5311 operating funds and \$74,000 capital funding for a new bus. Additionally, we are requesting \$17,600 funding for two shelters, one for the B&B Market stop and one for Food Share. In addition, HATS will be requesting \$70,050 in Job Access Reverse Commute for the East Valley bus service. As the state designated lead agency for the Helena area, HATS will also include requests for grant funding from other agencies: Rocky Mountain Development Council will be applying for a New Freedoms Grant of \$86,745.00. Applications are due by March 1, 2012. Public notice of the grant requests was advertized February 1st and 9th, 2012. Approval of this preliminary budget for grant submittal purposes does not indicate final Commission approval of the transit budget. These budgets will be reviewed and may be changed by the Commission during the regular budget process.

Supervisor Larson noted with the completion of the new facility, there is a renewed interest in public transportation. He will continue to work with the appropriate stakeholders and report back to the commission. Supervisor Larson noted the ridership has increased; which may be contributed to gas prices and the economy.

Commissioner Ellison referred to Supervisor Larson's memo and under notable energy impact it stated "funding of the bus operation provides Helena area residents with the option to reduce energy consumption and green house gases by using public transportation instead of personal vehicles." He noted the energy savings for the rider may be true; however, if the buses are driving around empty or half empty that isn't the case for the city. Commissioner Ellison stated one of the things that would be helpful to him would be to have information on what the total ridership has been over the last three years. Supervisor Larson handed out the ridership totals from FY2000 through FY2012.

Commissioner Ellison referred to page seven of the Coordination – FY2013 Coordination Plan, where it states the city and county commissions have stated their support for the creation of a Small Urban Transportation District. Commissioner Ellison noted he recalls the city commission giving their support before the signature gathering effort two years ago, but does not recall doing it since that time. He then noted his support would continue only if there is evidence that there is more people needing the service and the service would be used in the expanded areas. However, he has not seen any documentation that shows that information. Supervisor Larson explained the monthly report and the decrease in ridership was due to the state commuter route and the trolley being discontinued. Supervisor Larson addressed Commissioner Ellison's comments and noted the Intergovernmental Transit Committee had given the impression that both the city and county commissions were in support of moving the petition drive forward.

Mayor Smith thanked Supervisor Larson for his comments and stated he believes staff is making reasonable assumptions and noted #10 would enhance the city's application. However, Commissioner Ellison has asked some good questions and he too will be interested in receiving the information.

Mayor Smith asked for commission concurrence to leave #10 in the grant application. Commissioner Elsaesser spoke on the importance of public transit and stated he would support leaving #10 in the grant application. Commissioner Elsaesser noted there are a lot of questions that would need to be answered before moving forward with another petition drive. He suggested this issue be discussed at an upcoming joint work session.

Commissioner Haque-Hausrath, Thweatt and Ellison noted they too would like to leave it in. Commissioner Ellison stated he would like to re-visit this issue in the near future. Additional discussion was held on #10 and what city staff has done since the last petition drive was conducted.

Commissioner Ellison stated in order to support the application, he is comfortable with what he has heard today and he wants to do what the commission can do to further the grant application; without the grant funding, the HATS program would not be feasible. In addition, he wants to make sure the bus service in the city of Helena is being operating as efficient as possible and he looks forward to further discussions during the budget work sessions.

City Manager Alles noted there will be a couple of opportunities for the commission to share their comments; one being during the discussion on whether to begin a campaign to create the transit district. Commissioner Elsaesser referenced the new bus being purchased and asked what the specs were. Supervisor Larson noted the specs are developed by the State of Montana; the bus will be a 23-passenger bus. Commissioner Elsaesser asked for the definition of ridership; if a person rides to work and back, is it counted as two rides. Staff stated yes. He then asked if staff knows the average distance for the rides. Administrative Assistant Barb Sheridan explained the average mileage for ridership. Commissioner Elsaesser asked is there anything stopping the city from providing services to the valley, if funding is found. Director Rundquist noted the city could provide the service, if the county wanted to fund it. Commissioner Elsaesser stated he appreciates the concerns of Commissioner Ellison regarding the creation of the transit district.

Commissioner Haque-Hausrath asked how the FY13 budget compares to the FY2012. Assistant Public Works Director Phil Hauck noted the FY2013 is a status-quo budget with the exception of updating the transit plan. Commissioner Thweatt referenced the ridership and noted when the services were being provided, the ridership increased. Commissioner Ellison noted when he served on the Intergovernmental Transit Committee, the ridership was higher than it is now; in addition he has gone and rode the bus and saw firsthand the buses are not full. He again referenced the numbers and the ridership has decreased when the state route service was discontinued, noting the state of Montana paid for the commuter bus.

Commissioner Elsaesser asked where in the budget he would find the revenues for bus service. City Manager Alles referred Commissioner Elsaesser to page two. Supervisor Larson noted there has been a lot of discussion on the fares and service with the upcoming transit plan update.

Mayor Smith asked if there will be a bike rack on the new bus; Supervisor Larson stated yes, all city buses have bike racks. Mayor Smith stated he is very unsure if this is the right time to bring forward the creation of the transit district. He expressed concerns on how the last petition drive was handled by not having a set amount identified when gathering signatures. He continues to be concerned with equity with city residents. Mayor Smith stated he attended the Youth Connections meeting this morning and their representatives are very impressed by Supervisor Larson and how he has worked with them regarding the youth in Helena.

Mayor Smith left the meeting at this time.

Administrative Services

Mid-Year Review of FY12 Budget – City Manager Alles noted there is nothing alarming with the completion of the mid-year review. Administrative Services Director Tim Magee 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.

A comprehensive budget review is performed after the close of the December accounting period (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 budget parameters.

PERSONAL SERVICES: Generally, personal services expenses are looking good at mid-year and, with department confirmations, are projected to remain within original budget parameters aside from the following exceptions:

City Attorney: Salaries are projected to exceed the adopted budget by the end of the year. This is due to the unanticipated retirement of the City Attorney David Nielsen. Payout costs were nearly \$47,000 (including taxes & benefits); however, there will be some offsetting vacancy savings to the department as the City looks for a replacement. The amount of savings will depend on the amount of time it takes to fill the position and is therefore unknown at this time. The net cost of the retirement will be covered by the Retirement Contingency funding in General Fund.

Urban Wildlife: An overrun is expected by year-end in this program. This is due to a lower anticipated level of deer culls (up to 50) at the time the budget was prepared. After the budget was adopted, the Montana Fish, Wildlife & Parks recommended a higher level of 200 culls. It is the intent of the City to meet the recommended quota of deer culls. The actual amount of the overrun could vary depending on the time necessary to complete the culls, but is estimated to be approximately \$10,000 at this time. The overrun is expected to be covered through savings in the Police Department budget, use of contingency funding or a combination of both as needed.

Drug Enforcement: An overrun is anticipated by year-end for this program. This is partially due to a change in personnel and time spent on cases. After the budget was set, the drug officer position was substituted with another officer at a slightly higher grade. The pay difference amounts to about \$2,000 a year (including benefits). Also contributing to the overrun is more time being spent on federal drug cases than was anticipated. However, time spent on federal cases is reimbursed by the federal government which will provide additional revenues to help offset the overrun in the program. It is currently estimated that the budget overrun will be approximately \$10,000 at year-end. The overrun is expected to be covered through other savings in the Police Department 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 analysis 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 their bottom line budget authority.

General Fund Revenues – General Fund revenues are coming in very close to original projections in all areas, with the fund as a whole expected to come within about 99 – 101% of budgeted revenues barring any major unforeseen changes. An area of possible interest is the Aquatics Park.

Charges for Services – Swimming Pool: We project pool revenues will only be about \$3,000 lower than budgeted which equates to bringing in nearly 98% of the budgeted revenue of \$117,070. However, as open-air aquatics operations are highly affected by the weather, revenue fluctuations are to be expected from year to year. The Parks Department continues to gain more experience in the management of the new aquatics park each year which will help stabilize and refine future operations.

There will be anticipated startup costs for the park in the spring for the upcoming summer schedule, but expenditures are expected to remain within the budget and may likely show some operational savings at year-end which could offset the projected revenue shortfall. Overall, operations at the aquatics park are looking good at mid-year.

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 all projected to meet or exceed their budget revenues due to budgets being set based on rates in effect at the time budgets were adopted. Tate increases adopted for those funds in August are projected to bring in revenues in excess of budgeted amounts.

Continuing Reviews – The Budget Office will continue to monitor department budgets throughout the remainder of the fiscal year in order to determine if projects or budget conditions have changed. Any significant changes will be discussed with the appropriate department and, where necessary, possible courses of action will be determined or conveyed to the City Manager.

Commissioner Ellison thanked staff for the report and stated the budget is in very good shape; \$70,000 is minimum in a \$16 million dollar budget. Manager Alles reported he plans on using contingency funds to pay the overrun on the urban wildlife culling. Chief of Police McGee reported as of today, there have been 60 deer culled.

Mayor Pro Tem Elsaesser stated he is impressed by the report and noted the pool revenues are exceeding what was projected. Administrative Services Director Magee explained the enterprise funds revenue and what the outlook for the remaining of the fiscal year looks like. Manager Alles recognized the department's for living within their budgets.

Community Development

Building Code Update – City Manager Alles reported staff has identified some small changes in the building code and would like to move forward with the adoption of an ordinance.

Community Development Director Sharon Haugen reported city staff has been reviewing the chapter of the City Code that governs the Building Department and the adoption of the various codes. Based on that review, Director Haugen made the following recommendations:

1. Change the title of the Chapter 1 from Building Department to Building Division. The title of the chapter was established when the Building Division was its own Department. A similar title change is proposed for Chapter 2 to reflect the language of the currently adopted codes.
2. Change the phrase "Director of Building and Safety" to "Building Official" and other changes to reflect the current administrative structure of the building division. The proposed language is more reflective of the language in the adopted building codes; it is more consistent with other sections of City Code and it more directly reflects the organization structure of the Community Development Department which houses the Building Division.
3. Clarify the process used by the Building Board of Appeals.
4. Clarify and reaffirm the City's authority to enforce the building codes for all types of structures; including all categories of residential structures.

Director Haugen referred the commission to the proposed ordinance that was included with her memo.

Commissioner Ellison referenced 3-1-2 – Inspectors and noted this section has been deleted; however 3-1-4a references "any decision of an inspector". He asked if this is problematic by not defining what an inspector is. Director Haugen noted the language taken out is the supervision of the inspectors and the inspector on page two references the decision of an inspector.

Commissioner Haque-Hausrath referred to 3-1-4b where it deletes "shall be appointed by the commission", and asked is there a part in the ordinance on how the board is appointed. City Attorney Jodoin stated Chapter 6-3-d outlines how and who is appointed to the board.

Commissioner Haque-Hausrath asked if the Building Board of Appeals is different than the Board of Adjustment. Director Haugen stated yes. Commissioner Haque-Hausrath suggested capitalizing Building Inspector and having a timeline on when an appeal will be accepted. City Attorney Jodoin stated staff will look at a timeline and commented most of the time the person appealing is in a hurry for a decision.

Mayor Pro Tem Elsaesser referenced 3-1-4a Decision and Appeal and asked if this section addresses cedar shakes. Community Development Director Haugen stated cedar shakes is part of the zoning ordinance

and the commission at the time of adoption, decided there was not a process for appealing. If a property owner wants to appeal the cedar shakes then they would need to go to district court.

Mayor Pro Tem Elsaesser asked if the Building Board of Appeals is used much. Director Haugen stated the board is not used a lot; however, they have heard three or four cases since she has been with the city.

Mayor Pro Tem Elsaesser asked if it would be appropriate to address the cedar shakes in this section of the codes. City Attorney Jodoin noted it has been a deliberate decision to keep the cedar shakes a zoning issue and not a building code violation. Commissioner Thweatt spoke on the specific case of where the property owner installed cedar shakes.

6. Committee discussions

a) ADA Compliance Committee, Audit Committee, Board of Health, Civic Center Board, Montana League of Cities and Towns – No report given

b) IT&S, Non-Motorized Travel Advisory Committee, Board of Adjustment, Pre-Release Screening Committee –Commissioner Ellison reported the IT&S Board met to look at the FY2013 budget; he attended the NMTAC meeting and there are a lot of issues before this committee including the pedestrian access on South Cruse Avenue; the Board of Adjustment has not met and the Pre-Release Committee continues to meet weekly. Police Chief McGee recognized the work Commissioner Ellison has done with the Pre-Release Screening Committee and the cases he has reviewed.

c) Audit Committee, City-County Weed Board, Montana Business Assistance Connection (MBAC), TCC – Mayor Pro Tem Elsaesser reported he is looking forward to the appointment to the Chamber of Commerce Board. MBAC has their annual meeting on Thursday, February 23rd.

Discussion was held on getting feedback from chamber members regarding the proposed parking ordinance.

d) BID/HPC, City-County Parks Board, TCC, L&C County Mental Health Advisory Committee – Commissioner Thweatt reported on the Mental Health Advisory Committee and noted there was discussion on applying for a grant to help with the needs of our community. The three identified needs for funding is the Crisis Stabilization House; Crisis Response Team; and Our Place Drop-In Center. He stated he would support the submittal of the grant and would ask the commission to join him. Manager Alles stated he will follow-up with County Administrator Eric Bryson to find out the details of the grant application. If there is commission consensus to support it, he would then submit a letter of support. However, if there is a match, the commission would need to discuss it further. Chief of Police McGee noted this is a big issue in Helena that takes a lot of time of police officers and firefighters.

e) Audit Committee, City-County Administration Building (CCAB), Public Art Committee, Intergovernmental Transit Committee – Commissioner Haque-Hausrath had no updates on her committees.

f) Helena Citizens Council – HCC Representative Jim McCormick reported he will be making the HCC appointments to city boards at the meeting later this evening.

The HCC executive committee discussed the location of the bike racks that was discussed at the February 8th administrative meeting and the issue will be presented to the HCC tonight; this is a good tie in to NMTAC. The HCC members will begin attending the stakeholders meetings regarding the re-design of the mini mal-function junction and the HCC committee integration coordination continues to proceed and the two remaining committees are the Helena International Affairs Council and the Public Art Committee.

7. Review of agenda for February 27, 2012 City Commission meeting – No discussion held.

8. Public Comment – No discussion held.

9. **Commission discussion and direction to City Manager** – No discussion held.
10. **Adjourn** – Meeting adjourned at 5:40 p.m.