

SUMMARY OF ADMINISTRATIVE MEETING

June 15, 2016 – 3:30 p.m.

Room 326, City-County Building

316 N. Park Avenue, Helena

1. Call to order, introductions, opening comments – Mayor Pro Tem Ellison called the meeting to order. Commissioners Farris-Olsen, Haladay and Noonan were present. Mayor Smith was excused. Staff present was: City Manager Alles; Executive Assistant Sarah Elkins; City Attorney Thomas Jodoin; Assistant City Attorney Iryna O'Connor; Community Development Director Sharon Haugen; Police Chief Troy McGee; Public Works Director Randall Camp; Assistant Public Works Director Phil Hauck; Parks and Recreation Director Amy Teegarden; Administrative Services Director Glenn Jorgenson; Budget Manager Bob Ricker and City Clerk Debbie Havens.

Others in attendance included IR Reporter Al Knauber

2. June 1, 2016 Meeting Summary – The June 1, 2016 administrative meeting summary was approved as submitted.

3. Commission comments, questions –

Board Appointments – Mayor Smith is recommending the following board appointments:

Tourism Business Improvement

District Board

Appointment of George Powell to an unexpired term on the TBID. Term will begin upon appointment and expire April 20, 2017.

Commission Comments – No comments were offered.

3. City Manager's Report – Manager Alles updated the commission on the following items:

- Plans for the quiet zone should be back from MDT by the first of July. Once received, the project will be put out to bid.
- City staff has a design for the Cruse/Cutler project and there was discussion on removing it from the Urban Route list, which would reduce the cost for the project. This will be discussed at the next TCC meeting. Commissioner Haladay noted a few months ago the TCC was informed they would be voting on the urban route projects, including the Cruse/Cutler project. However, at the June 14th TCC meeting it was discussed how the respective legislative bodies needed to vote on it and bring it forward. He asked and City Manager Alles to follow-up and confirm on what process the TCC needs to use regarding prioritizing the urban route projects.
- The bid opening for the ADA bus stops will be opened on June 28th and once the commission approves the bid, construction should start by mid to late August.
- Met with property owner and his attorney regarding the property on Boulder Avenue. The city and county are working on a buy-sell agreement for the property.
- There is an agreement with the Humane Society regarding the pet cemetery. The Parks Department will keep track of the volunteer hours.
- The city has received a request from Prickly Pear Land Trust (PPLT) use \$20,000 of the \$30,000 paid to the city for "wetlands mitigation" as part of the Shopko Minor Subdivision final approval. He referred the commission to the project proposal and the change in conditions and finding of facts regarding the Shopko Minor.

Mayor Pro Tem Ellison gave the history of the wetlands adjacent to the Shopko Minor and noted this proposal would improve the landscape in the area.

Commissioner Farris-Olsen stated this proposal looks good to him; however, this proposal does not create new wetlands, it recreates a stream channel wildlife habitat. for wildlife.

City Attorney Jodoin reported the city has filed an appeal on the water rights decision and gave an overview of the case.

- The current residential base rate of \$2.62 and multi-family and commercial base rate of \$4.22 for a ¾" meter size and usage rates for residential and commercial and estimated revenues
- What the average homeowner would see on their monthly water bill with the three different options
- Look at options of increasing the base rate for commercial customers
- What impact there may be if the city encourages water conservation by not increasing the base rate and increasing the usage rate
- The need for an increase in the usage rate; however, the rate should be increased over time and not all at once
- If there is a legal ramification if the city does not use a certain amount of water
- Option one was discussed in detail with a variety of variables being considered
- The water rate, both usage and base, needs to be increased to address the major capital projects that need to be completed
- The actual percentage of the recommended increase for both the usage and base rates
- Tiered rates for commercial and residential customers could be an option; it would take staff time to set up for tiered rate billing
- There is the need to increase the base rate and usage rate; however, the homeowners will be the most impacted
- General consensus was to look at Option one showing several base rates, and the adjusted usage rate. Those numbers would show the commission the impact to the residential customers. There was also consensus to look at tiered rates for residential and commercial. A work session will be scheduled to further discuss the various rate proposals.

Wastewater Misc. Charges Staff is proposing an increase in the Septic Dumping from \$65.75 per 1000 gallons to \$69.62 per 1000 gallons. No discussion held.

Wastewater Rates 5.89% - Based on Admin Meeting Presentation. Mayor Pro Tem Ellison asked what the increase was last year. Director Jorgenson noted it was 2 or 3%. Mayor Pro Tem Ellison noted he is somewhat uncomfortable with the recommended 5.89% increase; however, he believes he can live with it and be able to explain it to the citizens.

Streets 9.00% - Based on Admin Meeting Presentation. Commissioner Haladay asked if staff has received an answer on whether or not the city can bond for street projects. Director Jorgenson noted a decision has not been received. There is an effort to allow INTERCAP funds to be used for streets projects. Staff hopes to have a decision within a couple of weeks.

Commissioner Haladay asked are we limited on using INTERCAP funds. Director Jorgenson stated he does not believe so. Manager Alles stated if allowed, he would recommend looking at a 20 year loan if the city were to use INTERCAP funds.

Commissioner Haladay commented when the commission passed the improvement district, it now allows the funds to be used to build roads. At that time, he supported it, but had some concerns that this would become a pain on residents at some point. He noted by his math, by 2021 the annual street assessment would be \$215 per resident. Commissioner Haladay asked if there is interest from the commission to decrease the residential assessment by 2% and make up any difference in the commercial equation. Commissioners Noonan and Farris-Olsen concurred with the recommendation. This proposal will be discussed at the rate work session.

Attorney Jodoin asked if it is the commission's intent to reduce the mobile home rate. Director Jorgenson recommended the commission also reduce the mobile home rate the same percentage as residential. There was concurrence to reduce the residential and mobile home rates. Mayor Pro Tem Ellison would like to see option as is.

Commissioner Noonan stated he would like to hear if there are other issues that would have impacts on city departments. The impact on the city park's department budget was discussed; specifically the water rates. Staff will be prepared to discuss impacts at the work session.

Storm Water 14.61% - Based on Admin Meeting Presentation. Mayor Pro Tem Ellison noted the commission is looking at a 14.61% increase this year; he asked what would the following years be. Assistant Director Hauck stated the recommended increase would be approximately the same increase for the next five years. The percentage is high; however, it is a lower dollar amount. Manager Alles noted the permitting process for the MS4 permit, there may be some other compliance requirements that would require additional costs for staffing and monitoring.

Commissioner Haladay asked if the additional staffing would deal with the new EPA regulations and is that on single family homes or large paved parking lots. Manager Alles stated one of the issues is with the different regulations between the cities and counties. At this time Lewis and Clark County has not reach the threshold were they are required to address stormwater. When you look at the Westside of town and the runoff that is created, the city would be out of compliance. City staff is working with DEQ to address these issues. There are no changes for monitoring large parking lots. A lot of the change is the monitoring of the current stormwater outfalls.

Mayor Pro Tem Ellison asked what is the threshold on when the county has to comply with the same regulations. Manager Alles stated it is based on urban population and he anticipates that after the next census, Lewis & Clark County will have to come into compliance and do their own MS4 permit.

Commissioner Haladay asked if there is any difference in needs with monitoring based on land use property types. Attorney Jodoin noted this is the issue we are having with the draft permit. We are talking the end of the pipe, which goes through different uses, before it reaches the end of the pipe. It is very difficult to identify where we would find improvements and how to identify one use having more of an impact than another.

Commissioner Haladay stated that generally is the question, he believes the city will see over time a potentially ballooned number and how can the city identify the property owners who are the most responsible for the stormwater. Manager Alles gave the example of the new theater built in the Great Northern and the requirements to retain stormwater. Staff is trying to work with DEQ to make it easier for the city to manage the stormwater.

Commissioner Farris-Olsen stated he is concerned with the percentage increase on residential property owners; he would like to bump up the rate for the larger property owners.

Mayor Pro Tem Ellison noted at the public hearing, the commission can set the rate lower. Commissioner Farris-Olsen stated he would increase the base rate at 10% and increase the rate for impervious area. This too can be discussed at the work session.

Commissioner Noonan asked what the total increase would be for a resident if the commission were to take staff's recommendations on the rate increases. Assistant Director Hauck noted the cost per year for all utilities would be \$55.53 per year.

Open Space 27% - Informational Only - \$75,000 Revenue Recovery. Director Jorgenson noted this assessment was decreased for FY16 and \$75,000 of reserves was used to fund operational expenses for this year. To recover the lost revenue it would require a 27% increase.

Director Teegarden confirmed reserves were used for operational expenses, where normally reserves are used for grant matches. Commissioner Farris-Olsen asked if these funds could be used to pay for water. Director Teegarden stated the open space assessment is to pay for maintenance on non-developed parks.

Mayor Pro Tem Ellison stated he would like to see where we were when the commission decreased the rate for FY16; a 27% increase is high and he would be comfortable with a 14% increase. Commissioners Haladay, Farris-Olsen and Noonan supported the recommendation of a 27% rate increase.

6. Committee discussions

- a) Audit Committee, City-County Board of Health, L&C County Mental Health Advisory Committee, Montana League of Cities & Towns – No report given.
- b) Audit Committee, Helena Chamber of Commerce Liaison, Information Technology Committee, Transportation Coordinating Committee – Commissioner Ellison reported
- c) ADA Compliance Committee, Audit Committee, City-County Parks Board, Civic Center Board – Commissioner Farris-Olsen
- d) Board of Adjustment, City-County Administration Building (CCAB), Non-Motorized Travel Advisory Board, Transportation Coordinating Committee – Commissioner Haladay

- e) Business Improvement District/Helena Parking Commission, Montana Business Assistance Connection, Public Art Committee – Commissioner Noonan
 - f) Helena Citizens Council – There was not an HCC representative at the meeting.
7. **Review of agenda for June 20, 2016** – No discussion.
 8. **Public Comment** – No public comment received.
 9. **Commission discussion and direction to the City Manager** – No discussion held.
 10. **Adjourn** – Meeting adjourned at 5:50 p.m.