

SUMMARY OF ADMINISTRATIVE MEETING
May 3, 2017– 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, Farris-Olsen, Haladay and Noonan were present. Staff present was: City Manager Ron Alles; Executive Assistant Sarah Elkins; Assistant City Attorney Iryna O'Connor; Fire Chief Mark Emert; Human Resources Director James Fehr; Administrative Services Director Glenn Jorgenson; Community Development Director Sharon Haugen; Public Works Director Randall Camp; Assistant Public Works Director Phil Hauck; City Engineer Ryan Leland; Parks & Recreation Director Amy Teegarden; Parking Director Dave Hewitt and City Clerk Debbie Havens.

Others in attendance included: IR Reporter Al Knauber; HCC Representative Sumner Sharpe; Renee Bauer, BID Executive Director.

2. April 5, 2017 Meeting Summary – The April 5, 2017 administrative meeting summary was approved as submitted.

3. Commission comments, questions – Upcoming Appointment – There are no upcoming appointments.

4. City Manager's Report –

Gas Tax Allocation – City Manager Alles referred the commission to the HB 473 Allocation of the Gas Tax Increase summary and noted Helena will receive an additional \$486,519 in April of 2018. The increase in allocations will continue until FY2023. These funds are not included in FY2018; the commission can discuss the allocation at a future meeting. At that time, staff will have additional information on the regulations affiliated with HB473.

Commissioner Farris-Olsen asked if this money could be spent on the walking mall since it is right of way. Manager Alles stated he could not answer the question and will find out and report back to the commission. Commissioner Farris-Olsen stated improving the walking mall would be great with West Main and Front Street projects being completed.

Priority Matrix Review – Manager Alles referred the commission to the FY2017 Commission Priorities Worksheet and gave an update on each of the 38-projects and noted the FY2017 projects are still relevant; there may be new ones added.

Commissioner Farris Olsen referred to #25, the sale of city-owned property and inquired if city property could be sold for under-market to a non-profit for the development of low income housing. Director Haugen commented she is in the process of identifying what property the city owns, what can be surplus and if there are any restrictions affiliated with any of the parcels. She will be prepared to present the information at the May 17th administrative meeting. Once staff has all the information, the commission will be asked for what direction they want to take regarding the sale of the surplus property.

Commissioner Haladay stated under the Urban Renewal statutes, the city can sell some of the land for below value market if it is to be used for low income housing, as long as it was vacate or surplus during the urban renewal timeframe. He asked staff to find out the status for those properties. Can the city enter into an agreement with a specific organization to develop low income housing. Manager Alles stated he believes the city can sell property for below value market for low income housing. Director Haugen concurred and noted there are a couple of provisions regarding the sale of property for below value marked. She will prepare a memo for the next administrative meeting.

Commissioner Noonan commented he has learned a lot the last year and half regarding all of these projects; he again mentioned the need for additional low-income housing and the importance of keeping our street network funded. He thanked staff for the urban boundary tour; there was a lot of information given during the tour.

Commissioner Ellison also thanked staff for the urban boundary tour, it was enlightening information and it was good to hear from the county staff. He acknowledged that his concerns with traffic on Sanders/ North Montana continue to increase with the amount of development in the area.

Commissioner Ellison asked what legislation was passed regarding the distracted driving ordinance. Manager Alles noted HB562 passed and the city of Helena meets all the criteria included in HB562. There is a cap of a \$100 fine included in HB562.

Commissioner Haladay referred to #6, the redesign of Cruse ROW and noted at the last TCC meeting, the county expressed some concern they may not be ready for a motion to remove Cruse Avenue from the urban routes. Commissioner Haladay acknowledged if the motion is not made at the June TCC meeting, it will be another three months before they meet again. He asked if the city is prohibited from redesigning Cruse Avenue; we just need to work closely with MDT. Manager Alles concurred the city can move forward with redesigning Cruse Avenue. He also stated the county does not have concerns with the city removing certain routes from urban route system, including Cruse Avenue and Helena Avenue. A letter will be drafted from the TCC to the Montana Transportation Commission requesting approval for Cruse and Helena Avenues to be removed from the urban route system. The other route being discussed was West Main; however, that has been taken off as MDT has approved the project.

Commissioner Haladay noted #11, the roundabout at mini mal-function junction is tied to the two-way traffic on Last Chance Gulch and asked that the commission get an update and have a discussion on the engineering and logistical issues on all of the projects in the area in order to reach a consensus for moving forward. Manager Alles stated the city received a final report for that area at one point; staff will bring it back for further discussion and updates. Commissioner Haladay concurred and suggested there are other designs that have been discussed. The Greening Capitals report also had recommendations.

Mayor Smith noted the Neill Avenue crossing was also part of the discussion. Manager Alles noted that Neill Avenue has been removed from the Front Street project, so it can move forward. Staff will continue to work with MDT on the Neill Avenue crossing.

Commissioner Haladay asked what MDT's concerns are with the crossing at Neill Avenue. Engineer Leland noted the squaring off of Neill Avenue is not an issue; however, the raised intersections at the Front Street/Neill Avenue intersection are a concern of MDT.

Commissioner Farris-Olsen asked if Neill Avenue could be removed from urban route. Engineer Leland noted Neill Avenue is a MDT route.

Mayor Smith reported he met with County Commissioner McCormick and he shared information on the funding availability through a Tiger Grant; there may be an opportunity for the city and county to submit a joint Tiger Grant for a project. Manager Alles stated he will combine the discussion of mini mal-function junction and Tiger Grant funding.

Commissioner Farris-Olsen asked if MDT will not approve a raised crosswalk at the intersection of Front Street and Neill Avenue; can the city at least paint the crosswalks. Manager Alles and Engineer Leland stated we can submit it to MDT for consideration.

Commissioner Ellison commented with a Tiger Grant application, the city has to invest money upfront and if not selected the funding is not refunded. Manager Alles noted there are a number of requirements that go with applying for a Tiger Grant.

Mayor Smith stated he is very interested in #11 – roundabout at mini mal-function junction and #15 - the redevelopment of Stewart Homes.

Commissioner Haladay asked when staff updates the commission on the proposal for the roundabout at mini mal function, can the two-way traffic on Last Chance Gulch be included, as the two are tied together.

Commissioner Haladay asked Mayor Smith to update the commission regarding the Re-Development of Stewart Homes – Mayor Smith reported the Stewart Homes master plan was completed in 2012; however, there has been no funding available to do the project. Mayor Smith stated when he visited with Senators Daines and Tester he requested that public housing funding be included in any infrastructure bill. Both were amendable to support any grant funding that Helena Housing Authority may apply for. The next step is to meet with HHA.

Commissioner Noonan noted in the tour there were several low income housing sites. Director Haugen stated there are several low-income housing sites in the area; in addition RMDC is looking at doing another housing project adjacent to the River Rock project. She also stated none of the newer housing projects are geared toward low income housing. There is a housing needs assessment that will be completed this fall.

Commissioner Noonan asked with any new rental development could the city commission condition that a certain amount of the project be low income housing. Director Haugen noted the city of

Bozeman is looking at this concept and she is not sure if it is mandatory. Staff could bring forward a presentation on how it works and what is required.

Commissioner Haladay referred to the city of Bozeman and asked if the requirement is for multi-family units and a certain percent of the units has to be for low income. Director Haugen stated in Bozeman it was for subdivisions and a certain amount of lots had to have deed restrictions that would be available for low income housing. There is a formula the city of Bozeman uses to determine the percentage. Commissioner Haladay noted Bozeman's program is for home ownership, not for rentals. Director Haugen will look at what the City of Bozeman does and report back. Commissioner Haladay commented the commission needs to have an actual meeting on low-income housing. Director Haugen concurred and suggested waiting until the housing needs assessment has been completed and including other in the community that deal with low income housing.

Commissioner Farris-Olsen noted it is important to have affordable housing in town and not only north of Custer Avenue. If there isn't a way for people to get into town, then building on the north side is counter-productive.

Mayor Smith referred to #19 and noted the city's residential efficiency and renewable energy loan program was very successful. A discussion will need to happen on how we sustain the program going forward.

Consensus Direction to Manager: Agenda low-income housing as a separate agenda item for an administrative meeting.

Complaint Signatures – Re: Sidewalk Snow and community Decay Complaints – Manager Alles reported final passage of Ordinance 3227 is on the May 8th commission meeting agenda. It is staff's recommendation that the complaint be signed; this will allow staff to work with the complainant. However, this is a policy decision the commission needs to make.

Manager Alles referred the following amendment submitted by Commissioner Haladay:

~~**7-11-56: ABATEMENT AND MITIGATION:** The abatement or mitigation of the above prohibited conditions which constitute a public nuisance prohibited by this chapter shall be accomplished under the provisions of this section. Where an established use results in the storage of material otherwise prohibited in this chapter within public view due to an elevated public right of way or other circumstance beyond the control of the property owner, the condition shall be mitigated in accordance with the provisions of this section.~~

~~A. Initiation: Abatement or mitigation shall be initiated by the designated department.~~

~~B. Inspection: Within thirty (30) ten (10) days of receiving a signed, written complaint that a prohibited condition of community decay exists, the designated Community Development department shall conduct an inspection of the property alleged to be in violation of this chapter to determine whether there is, in fact, a violation.~~

Commissioner Farris-Olsen stated he believes the ordinance would be more effective if a signed complaint was not required.

Commissioner Ellison stated he appreciates Commissioner Farris-Olsen's comments; however he has mixed feelings about this and does not have his mind made up.

Commissioner Haladay stated he brought up not requiring a signed complaint not specifically for the community decay ordinance but the snow removal ordinance. However, if you do one, you should do both. Commissioner Haladay noted the snow removal is the city's ordinance and the city should patrol it. Citizens do not want to be pointed out as "complainers" when the city is not enforcing the ordinances. He understands the reasoning why staff would like to require a signature.

Commissioner Haladay noted community decay can be seen from the street and does not require staff to contact the resident. There is nothing that prohibits people from signing the complaint. He believes we should not require a signature when filing a complaint.

Manager Alles stated staff does actively patrol the city for violations for the snow removal ordinance; if a complaint is filed, staff does look at the entire neighborhood.

Mayor Smith noted Commissioner Haladay has submitted an amendment for consideration and asked if it would apply to both the snow removal and community decay ordinance. Manager Alles stated the commission would also have to amend the snow removal ordinance.

Mayor Smith commented during the upcoming budget discussions the commission could look at additional staff for snow removal enforcement.

Commissioner Noonan commented the citizens will know they can still submit a complaint and won't have to sign it. He would hope the amendment would not create an increase in calls and at this time he believes not requiring a signature would be okay.

Consensus Direction to Manager: Final passage of Ordinance 3227 is on the May 8th city commission meeting agenda.

5. Department Discussions:

Administrative Services

Utility Rates Discussion – Manager Alles reported in the next couple of months the commission will be reviewing and discussing the preliminary FY18 budgets. The purpose of today's discussion will be to discuss those prioritized projects that exceed the current funding capabilities of the Water, Wastewater, Storm Water and Street projects for fiscal years 2018-2022. Included in the discussion will be a preliminary look at a long-term rate strategy to accomplish these future challenges.

Staff is prepared to discuss the recommended projects and the preliminary rate analysis.

Assistant Public Works Director Hauck referred the commission to the following spreadsheets:

- Residential Impact of Rate Increases
- Street Fund- Not Budgeted/Unfunded Capital Projects – Over \$200,000
- Street Fund – Preliminary Rate Analysis
- Streets Residential Impact of Rate Increases
- Water Fund - Not Budgeted/Unfunded Capital Projects – Over \$200,000
- Water Utility Fund – Preliminary Rate Analysis
- Water Residential Impact of Rate Increases
- EPA Rate Guidance – Water Rates at 2% of Median Household Income
- Wastewater Fund - Not Budgeted/Unfunded Capital Projects – Over \$200,000
- Wastewater Utility Fund – Preliminary Rate Analysis
- Wastewater Residential Impact of Rate Increases
- EPA Rate Guidance – Wastewater Rates at 2% of Median Household Income
- Stormwater Fund - Not Budgeted/Unfunded Capital Projects – Over \$200,000
- Stormwater Utility Fund- Preliminary Rate Analysis
- Stormwater Residential Impact of Rate Increases
- Water/Wastewater Rate Comparisons for Montana Cities

Assistant Public Works Director Hauck noted if the commission were to adopt the rate increases shown the annual increase would be \$82.91 per household. The solid waste assessment is not included in the in packet of information. Staff will bring forward the tipping fee resolution with a recommendation to decrease the assessment.

Administrative Services Director Jorgenson noted the proposed rate increases are in the FY2018 preliminary budget; any project under \$200,000 is being paid for with the individual funds. If the commission does not adopt the recommended rates, the budgets will need to be adjusted.

Manager Alles referred to the water fund and noted Helena's base rate is lower than other Montana cities; he would ask the commission to consider increase the base rate more than the variable rate; it provides more certainty.

Commissioner Farris-Olsen asked if the commission will discuss each of these individually; it will help him to look at the formula for each rate. Manager Alles stated these rates are not adopted until August; staff will prepare a more detailed report for the individual rates. It makes sense to keep the tiered rate and increase the base rate.

Commissioner Haladay concurred that he would like to discuss each of the utilities and proposed rate increases individually. The information the commission received last year was very informative when looking at the rate increases. Commissioner Haladay recommended the rate discussions be scheduled for the upcoming administrative meetings as the rates do align with the budget discussions.

There was further discussion on the base rates and the need to increase more than the 3% that has been adopted in the past.

Commissioner Haladay referred to street maintenance and asked why 11th Avenue and Rodney Street are not on the list for re-build streets. Engineer Leland stated 11th Avenue is an MDT route and Rodney is on the priority list for water/sewer improvements but not on the re-build list. There are sections of Rodney that could be overlaid; however, the majority needs to be re-constructed.

Commissioner Haladay asked are we trying to sync up water/sewer projects with streets projects. Director Camp stated that is staff's goal to sync up the projects; it is difficult to do so with some projects.

Commissioner Haladay asked staff to prepare an estimate to re-build a street like Rodney Street. Engineer Leland concurred. Assistant Director Hauck stated when staff started this, they tried to match the needs to the funding; however, they could re-look at the streets on the priority lists and re-evaluate if needed.

Commissioner Haladay noted Rodney is the only north/south route in the area and has a large amount of traffic on it.

Commissioner Ellison stated he appreciates the discussion and referred to the information on the first couple of pages in the memo from staff. The preliminary budget is showing larger rate increases and he is not normally comfortable with those. However, the city is also in a regulatory situation with state and federal agencies that dictate the city increase the rates. He believes the recommended total annual increase of \$82.91 per year or \$6.91 per month is manageable and he is prepared to have those discussions on the recommended rate increases.

Commissioner Farris-Olsen stated with the funding mechanism worked out, the commission needs to re-prioritize some of the projects. Manager Alles noted there is time to have these discussions.

Mayor Smith stated the commission approved an annual increase of \$54.61 for FY17 and the recommendation for FY18 is \$82.91. The commission started down this path a year ago and acknowledged the need for a consistent rate increase for the next five years; if we do not do this the physical infrastructure is deteriorating. He believes we need to stay the course, the best we can.

Commissioner Ellison concurred with Mayor Smith on staying the course and on re-prioritizing some of the projects. Assistant Director Hauck added these cash flows have the city paying 100% of the costs; staff will pursue all other funding sources.

Manager Alles commented the streets costs include the complete street component and the commission has not established the policy on the implementation of the complete street on certain projects. The projects are budgeted; however, the revenue is not included until the funds are received.

Commissioner Haladay commented the city's current street maintenance fund requires 10% of all projects be dedicated to non-motorized projects. He asked when the commission will look at the 10% for the individual street projects; he wants to assure the budget reflects the 10% non-motorized transportation projects. Manager Alles stated the amounts listed have specific information on how staff calculated the total costs. Additional information will be brought forward for commission discussion regarding the non-motorized funding for individual projects.

HCC Representative Sharpe reported he gave an overview of the recommended rate increases to the HCC; there was not any opposition to the recommendation.

Consensus Direction to Manager: There was commission consensus to schedule specific administrative meetings for the rate increase discussions.

Parking

Change in Parking Fees – Parking Director Hewitt reported the hourly parking fees have not changed in ten years, while costs to maintain and enforce the lots have increased substantially. Listed below are the recommended increases:

- Increase all HPC public parking lots from .50/hour to \$1.00/hour
- Increase all HPC public parking garages from .75/hour to \$1.00/hour.
- Increase public on-street meters from .50/hour to \$1.00/hour, with the exception of the 300, 400, 500 blocks of Cruse Avenue*
- Increase Cruse Ave. meters from .25/hour to .50/hour

Director Hewitt noted he has met with both the BID and DHI boards and there was no opposition to raising the fees. With the generated revenue, staff will re-invest in smart meters that will accept credit cards.

Mayor Smith reported he attended the BID Quarterly meeting and concurred there is support for raising the parking fees. BID Executive Director Bauer noted the master plan addresses the parking in the downtown area and she believes the recommendation was well thought out.

Commissioner Haladay asked how does the recommendation fit into the downtown master plan; is this an interim measure. Director Hewitt stated this is a long-term recommendation. There are other items in the master plan regarding parking.

Commissioner Ellison stated appreciates it being brought forward; there hasn't been an increase since 2006; it is time to increase the fees.

Mayor Smith noted he has been advocating meter parking near the capital and believes this would be a new source of revenue. He has some hesitation in raising the fees if we are not pursuing other sources. Manager Alles stated in order to begin patrolling other areas of the city, the parking district boundaries would have to be expanded.

Consensus Direction to Manager - The resolution of intention to increase parking fees will be brought forward.

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 – No report given.
- c) ADA Compliance Committee, Audit Committee, City-County Parks Board, Civic Center Board – No report given.
- d) Board of Adjustment, City-County Administration Building (CCAB), Non-Motorized Travel Advisory Board, Transportation Coordinating Committee – No report given.
- e) Business Improvement District/Helena Parking Commission, Montana Business Assistance Connection, Public Art Committee – No report given.
- f) Helena Citizens Council – HCC Representative Sharpe reported there will be HCC members at the May 23rd budget work session. A recommendation regarding the Civic Center and the walking mail issues are forthcoming. Another topic of discussion was what is the city and non-profits doing regarding the loss of businesses in the downtown area.

There was discussion on the HCC recommendation of approving a resolution in support of passenger rail service. Manager Alles stated he did not bring the resolution forward as at the time, there were not three commission members asking for it. Commissioners Farris-Olsen and Haladay stated they would like to see the resolution come forward.

7. Review of agenda for May 8, 2017 – 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 6:05 p.m.