

SUMMARY OF ADMINISTRATIVE MEETING

June 7, 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 and Haladay were present. Commissioner Noonan was excused. Staff present was: City Manager Ron Alles; Executive Assistant Sarah Elkins; City Attorney Thomas Jodoin; Assistant City Attorney Iryna O'Connor; Human Resources Director James Fehr; Administrative Services Director Glenn Jorgenson; Budget Manager Robert Ricker; Community Development Director Sharon Haugen; Public Works Director Randall Camp; Assistant Public Works Director Phil Hauck; City Engineer Ryan Leland; Community Facilities Director Gery Carpenter; Parking Director Dave Hewitt; Deputy City Clerk Katya Grover and City Clerk Debbie Havens.

Others in attendance included: IR Reporter Al Knauber; HCC Representative Gary Spaeth; Renee Bauer, BID Director and KXLH Reporter Jonathan Ambarian.

2. May 17, 2017 Meeting Summary – The May 17, 2017 administrative meeting summary was approved as submitted.

3. Commission comments, questions –

Upcoming Appointment – Mayor Smith is recommending the following appointments:

Helena Open Lands Management Advisory Committee (HOLMAC)	Reappointment of Betsy Miller to a second term on HOLMAC. Term will begin upon appointment and expire June 30, 2020.
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Heritage Preservation and Tourism Council	Reappointment of Troy Lutton to a second term on the Heritage Preservation and Tourism Council. Term will begin upon appointment and expire June 30, 2020.
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Tourism Business Improvement District (TBID)	Appointment of Larry Lambert to a first term on the TBID. Term will begin upon appointment and expire April 20, 2021.
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Commissioner Ellison asked if there was a resignation on the TBID; Clerk Havens explained the vacancy was due to a resignation on the TBID. Commissioner Ellison expressed concern with Mr. Lambert living in Missoula and not being a city resident. Mayor Smith noted there is nothing in the resolution creating the TBID that requires the board members live in the city. However, it does require the board members be owners or representatives of motels/hotels.

Climate Change – Commissioner Haladay referenced the draft resolution regarding global climate change and the Paris Climate Agreement and asked for commission concurrence to place it on the June 26th city commission meeting agenda. This resolution discusses Helena signing the United States Conference of Mayors Climate Protection agreement and adopting a resolution on global climate change for the city of Helena. The proposed resolution will continue the city's support and calls for an annual report to be presented prior to or during the budget process, to document specific activities implemented by the city, track greenhouse gasses, energy usage and other resources such as water, and the city will encourage citizen conservation oversight by establishing a Citizen Conservation Board.

Commissioner Farris-Olsen concurred with Commissioner Haladay's comments and asked what staff is responsible to assure the original recommendations are implemented. He also noted climate change is a part of city's Growth Policy.

Mayor Smith stated the question is if there is commission support to place this on the June 26th city commission meeting agenda. He then spoke on the news he has watched regarding the withdrawal of the Paris Agreement. **He noted he does not believe he has the knowledge to fully understand the impact of the international agreement nor is he willing to take the time to do so.** Mayor Smith stated he is hesitant to involve the City of Helena in an international agreement and he is not convinced we need a citizen conservation board. The city has implemented energy conservation and met many of the recommendations and goals of the original Climate Change Task Force.

Commissioner Farris-Olsen noted this would not bind the city of Helena to the Paris Climate

Agreement. Commissioner Haladay concurred; this resolution is a declaration on what the city has previously stated. It is more than a feel good resolution; the citizen conservation board would keep the city on track. The city has accomplished a lot; however, it has not implemented all the original recommendations. This resolution obligates the city to absolutely nothing.

Commissioner Farris-Olsen noted some of the language is taken right from the Growth Policy. It is very important to get citizen input on some of the recommendations. He would support the development of an advisory board.

Commissioner Ellison stated he shares many of Commissioner Haladay's comments; when he was first elected the Climate Change Task Force was wrapping up their original recommendations. He believes the city has taken a number of steps to conserve energy. He then referenced the first "whereas" on page three of the resolution and noted he is not comfortable with the "irresponsible actions" language and suggested he may offer an amendment when the commission considers the resolution. Commissioner Ellison stated he is not comfortable creating a new board; but would support placing the resolution on the June 26th city commission meeting agenda.

Commissioner Farris-Olsen asked if there is support to place it on the agenda with a couple of amendments. In the meantime, the commission could work on some of the wording.

Mayor Smith referenced Sections 4 and 5 and concurred the annual report is something that should happen; however, he has concerns with creating another board.

There was commission concurrent to place the resolution on the June 26th city commission meeting agenda.

4. City Manager's Report – Manager Alles reported bids on the West Main project were opened and it is staff's recommendation to reject all bids and go back out for bids in the fall of 2017. This is on the June 12th city commission meeting agenda.

Mayor Smith asked if there is any reasonable expectation that there will be better bids received next year. Engineer Leland noted he does not see any major increase in supplies; however, with delaying the bid, larger companies may submit bids.

5. Department Discussions:

Public Works

Water Rate Discussion – Assistant Public Works Director Hauck reported the Comprehensive Capital Improvement Program (CCIP) indicated that water rates would need to increase by 8.88% to fund the specific projects presented to the commission at the May 3, 2017 administrative meeting. He referred the commission to the four separate options and the impact of each option although there are many additional options that could be explored. He referred the commission to the calculation spreadsheets.

Staff is requesting direction from the commission as to what increases they would be comfortable with and whether to apply the increases equally to all classes of property or use a different method.

Mayor Smith clarified the additional revenue created by the increase is tied directly back the CCIP projects discussed on May 3rd. Assistant Director Hauck concurred. Mayor Smith noted the HCC members at their May meeting requested a summary on what the increase will be and what projects will be funded.

Commissioner Ellison asked if the commission took one of the options, when would the city of Helena come close to other Montana cities base rates. Assistant Director Hauck noted the median base rate of the seven cities is approximately \$11.00. If the commissioner were to adopt the 8.8% increase, the city of Helena would be fourth place of the top seven cities. The changes that were made last year worked out well for the projected revenue.

Commissioner Farris-Olsen stated he would support going up to the \$7.50 base rate and reducing the consumption rate for residential from \$2.95 to \$2.90 and increasing the commercial rate from \$3.00 to \$3.20. The point is the rate increase would not discourage water usage for the average citizen. After further discussion Commissioner Farris-Olsen recommended the base rate of \$7.50; with the following variable rates: commercial - \$3.20; multi-family - \$3.00; residential 0-8, \$2.90; residential 8-15, \$3.15; and residential 15+, \$3.20.

Commissioner Haladay commented the tiered rates are to encourage water conservation measures.

Mayor Smith asked Commissioner Farris-Olsen if his recommendation is to set the base rate at \$7.50 and the residential 0-8 at \$2.90 and adjust the other rates to make the numbers work.

Commissioner Farris-Olsen concurred. Mayor Smith stated he does not want to penalize or award any specific customer too much.

Commissioner Ellison stated he is comfortable with the recommendations of Commissioner Farris-Olsen.

Manager Alles noted there was previous discussion to place a charge of \$1.00 on water bills to assist citizens if they have a service line break. Staff has discussed setting up a reimbursement program and not go through an insurance policy process. Commissioner Farris-Olsen stated he had suggested placing a set fee for customers to pay per month that would go into a fund that would assist customers whose service lines would need to be repaired/replaced. Manager Alles noted MMIA does have a no fault insurance policy. If there is interest, staff could prepare a proposal for commission consideration.

Commissioner Farris-Olsen stated he would support a flat charge of \$1.00 per month. Commissioner Haladay asked if we have an average number of service lines breaks per year. Assistant Director Hauck noted he would update the previous report and forward it to the commission. Commissioner Haladay asked for the number of breaks/repairs and the average cost to repair.

Manager Alles recommended a cap be put on the amount of money an individual could receive to replace or repair their service line. Again, staff will put a proposal together for commission discussion.

Commissioner Haladay stated he would like the proposal to include an option of having the fund available for all residents. He then asked if the commission could look at increasing the cap for a lower income household. Commissioner Farris-Olsen concurred with Commissioner Haladay's suggestion and noted this would tie into water conservation.

Mayor Smith stated he is hesitant to begin subsidizing between the rate payers; the increase in revenue would directly be from the increase in rates. He does not support establishing income eligibility for a service of this kind. He would be interested in educating the public on the importance of taking out a policy.

Commissioner Farris-Olsen commented an insurance company has at least a 50% overhead. This program he is suggesting would be a benefit to the homeowner. Commissioner Haladay stated an insurance policy costs money and not everyone can afford it. This proposal would assure all households in the city would have a funding source to fix a broken service line. This program is worth looking at the minimum costs for the homeowners.

Commissioner Ellison stated he is not inclined to begin a program that would qualify some households and not others. Mayor Smith noted if a program is established, the rough parameters have been discussed.

Consensus Direction to Manager – Staff will bring forward the rates recommended by Commissioner Farris-Olsen and will advertise that for the resolution of intention. The rate could be reduced; however, it cannot be increased.

Wastewater Rate Discussion - Assistant Public Works Director Hauck reported the Comprehensive Capital Improvement Program (CCIP) indicated that wastewater rates would need to increase by 7.73% to fund the specific projects presented to the commission at the May 3, 2017 administrative meeting. One project that was missed in the original presentation was added that changed the recommendation to 8.38%. He referred the commission to the calculation spreadsheet.

Staff is requesting direction from the commission as to what increases they would be comfortable with and whether to apply the increases equally to all classes of property or use a different method.

Commissioner Farris-Olsen noted there are eight times the number of residential customers as commercial; however, the commercial customers generate eight times the amount of wastewater as residential and pays 50% of what the residents pay. He noted it seems like these numbers are backwards; as the commercial uses so much more than residents. Commissioner Farris-Olsen stated he can support a rate increase; however, he would raise the rate to \$3.00 for commercial usage rate and leave the residential usage rate as is. This would generate the revenue.

Commissioner Haladay stated the proposal from Commissioner Farris-Olsen looks good to him.

Discussion was held on what constitutes the large water usages in commercial. Mayor Smith stated the proposal by Commissioner Farris-Olsen does not undo rate structure and levels the playing field between residential and commercial.

Assistant Director Hauck referenced the wastewater current rate calculation and noted the residential total consumption is 63,551 per month and the total for the year would be 762,612 compared to the 500,161 for commercial.

Consensus Direction to Manager – Consensus to use the rates recommended by Commissioner Farris-Olsen.

Stormwater Rate Discussion – Administrative Services Director Glenn Jorgenson reported the Comprehensive Capital Improvement Program (CCIP) indicated that stormwater rates would need to increase by 14.58% to fund the specific projects presented to the commission at the May 3, 2017 administrative meeting. Last year the rate increases were not applied equally across all property classes. He referred the commission to rates listed in the memo and a rate analysis showing the current rates and revenue by property classification at the top.

Commissioner Haladay stated he supports Option 2, the same as last year that focused on the greater impervious areas. He then addressed the large paved parking lots that create the most stormwater. Commissioner Farris-Olsen concurred with Commissioner Haladay and noted the need to equalize the costs; Option 2 does just that.

Commissioner Ellison stated he does not agree with Commissioners Haladay and Farris-Olsen. If businesses are charged more, they will pass on the costs to the consumers. He noted Carroll College, St. Peter's and the Helena Regional Airport all have large paved parking lots; however, they are needed for their customers, clients and students. The businesses that have large parking lots should not be penalized. Commissioner Ellison stated he would support a proportional increase as outlined in Option 1. Mayor Smith concurred with Commissioner Ellison and recommended bringing this back when Commissioner Noonan is present.

Commissioner Farris-Olsen recommended advertising both rates as the higher rate can always be reduced, but not increased. General discussion was held on businesses building parking garages versus having large paved parking lots.

Mayor Smith commented his goal is to keep the total increase in assessments between \$50 and \$60 annually. Commissioner Haladay commented the rates' being proposed by Commissioner Farris-Olsen does keep the increase to around \$50 annually.

Consensus Direction to Manager – Staff will advertise the rate increase at both 14.58% and 19.9%.

General discussion was held on the protocol of seconding motions for the purposes of discussion.

Parking

Bid Award - New Equipment for Parking Garages – Manager Alles introduced the agenda item. Parking Director Hewitt reported one bid was received to replace the automated parking equipment and gate arms in both 6th Avenue and Getchell Street parking garages. The current equipment company has gone out of business; the software is obsolete and not Payment Card Industry (PCI) compliant. Mechanical replacement parts are not available.

The bid was from Ace Electric from Laurel, Montana in the amount of \$398,000. This bid is on the June 12th city commission meeting agenda.

Mayor Smith asked if staff is working on creating a new or expanding the current parking district to generate additional revenue. Manager Alles noted staff will bring a recommendation forward for commission consideration.

Commissioner Ellison commented this equipment is necessary and expensive and he would support finding new revenue sources.

Parking Rate Increase Discussion – Parking Director Hewitt reported the following is a list of reasons the Helena Parking Commission (HPC) is requesting approval to raise parking rates in downtown Helena, despite the positive cash balance:

- Capital Improvements & Maintenance: Major improvements and maintenance are planned for 2017; they were pushed back as a result of lack of funds in previous years.

- Debt Service Payments: Jackson Street (\$94,000), 15th Street (\$385,000 refinance) Related to the Downtown Master Plan -
- Smart Meter Project: Fees associated with the convenience of paying for parking using a smart meter must be recovered
- Kiosk system implemented for hourly parking
- Consistent hourly pricing for downtown parking
- Free one-hour parking (compensated with the increase in regular hourly parking fees)

Director Hewitt noted the Downtown Master Plan also recommends a review of the parking rates. Ellison stated parking rates strike a nerve with people; however, the rates have not increased in ten years and they need to be increased. Therefore, he intends to support an increase in rates. It would be helpful to have a rate increase discussion every couple of years instead of every 10-years.

Commissioner Farris-Olsen stated he likes the more secure credit card machines and adding additional parking downtown.

Mayor Smith stated he is struggling with an increase in parking rates; although he supports the Parking Commission. Director Hewitt acknowledged staff needs to do a better job with public outreach.

Commissioner Farris-Olsen asked if discounted parking for employees is being considered. Mayor Smith concurred the rates should be reviewed annually.

Consensus Direction to Manager – Staff will bring forward a recommendation for commission consideration.

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

Walking Mall Maintenance Recommendation – HCC Chair Gary Spaeth referred the commission to the recommendation on the walking mall maintenance with the following three recommendations:

1. The five agencies involved in maintenance of the Downtown Walking Mall should meet to create a maintenance agreement or memorandum of understanding stating a common commitment to establishing minimum or acceptable standards regarding the condition of the mall. Define which stake holders are responsible for which areas of maintenance of the walking mall.
2. Designate a budget for the walking mall which defines what maintenance and expenditures would be included and provides guidelines on disbursement of these funds to City Departments who perform defined duties.
3. Hire a coordinator as a new position or designate a current employee of one of the stakeholder agencies to this role.

Manager Alles stated city staff has developed a management plan proposal and will be bringing it forward for commission discussion. It is his recommendation not to hire another position; the duties can be split between the various city departments.

Mayor Smith stated he would like to know what department is going to be responsible for specific maintenance items. Manager Alles again stated staff has a draft and will bring it forward for commission review. Mayor Smith stated outreach to the property owners is also an important component.

BID Director Bauer concurred with the recommendations of the HCC; it is very confusing on who is responsible for specific issues. There is real work to do on the maintenance on the walking mall.

Passenger Rail Service through Helena – Chair Spaeth noted the commission has previously reached consensus to place this on a regular city commission meeting agenda. Manager Alles concurred and noted he will bring this forward for commission consideration in July 2017.

7. Review of agenda for June 12, 2017 – Mayor Smith noted the recommendation is to reduce the tipping fees by \$2.00. Assistant Director Hauck noted the tipping fee is made up of two parts, the city and the county. The county is recommending lowering the assessment by \$2.00 and therefore the city will also be making that recommendation. Mayor Smith asked how far this reduction goes toward lowering the total percentage of rate increases. Assistant Director Hauck explained with the reduction in the tipping fee; there is the possibility that both residential and commercial rates could also be lowered. He noted this rate takes effect on July 1 and needs to be adopted prior to that date.

8. Public Comment – No public comment received.

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

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