

CITY OF HELENA
CITY COMMISSION MEETING
BUDGET WORK SESSION
May 20, 2020 – 3:00 P.M.
Zoom Online Meeting <https://zoom.us/j/4129664351>

Time & Place A City Commission meeting, General Fund budget work session was held on Wednesday, May 20, 2020 at 3:00 p.m., in City-County Building Room 326 and via Zoom Online Meeting <https://zoom.us/j/4129664351>.

Members Present Mayor Collins, Commissioner Dean, Commissioner Logan were present in the room, Commissioner O'Loughlin, Commissioner Haladay were present via Zoom

Report of the City Manager REPORT OF THE CITY MANAGER

Mayor Collins turned the meeting over to Interim City Manager Reed, who stated that she would be turning this meeting over to Budget Analyst Chris Couey, who explained he'll be working backwards through the printed budget.

Presentation A. BUDGET PRESENTATION – General Fund

Staff Report

Mr. Couey presented for discussion the General Fund, number 100. This reflects some changes in what was adopted for FY20 as a result of COVID-19 and the state shutdown and the resultant delay in tax payments. There should be clearer understanding by final adoption for FY21 of what's been received but delayed or what still needs to be accounted for. He commented on internal service revenues and cost recovery for general fund departments and the methodology used for these calculations and noted he anticipates the need to revisit internal charges after all the general fund departments have been reviewed. He then opened the floor to comments and questions from the Commission about internal fund revenues.

Commissioner Dean inquired as to why highway traffic safety wasn't initially adopted and Mr. Couey commented on that. She noted when Chief Hagen is present they can talk about that as well as the law enforcement academy. Commissioner Dean asked about the historic preservation program and if there's been any internal discussion about it as well as the history of the program. Mr. Couey added comments about this program and its budget historically and how things are split between City and County. Community Development Director Sharon Haugen can elaborate on this later. Mayor Collins asked about how County and City work is differentiated as far as the historic preservation program.

Commissioner Logan asked about line item 1, Taxes, projected for FY21 Amended and the difference there. Mr. Couey explained that's related to the COVID delays going back to adopted FY20 and the general levy as well as the health insurance levy and personnel expenditures. Commissioner Haladay asked about the amended FY21 detail compared to amended FY21 preliminary adopted for tax revenue and the difference there. Mr. Couey explained that relates to some money brought forward from FY20 and also the health insurance levy.

Commissioner O'Loughlin asked for clarification as to if they're just talking about the revenues portion of fund 100 and if Mr. Couey will continue presenting the other areas of the fund. Mr. Couey explained how specific revenue items will show up again as they continue to discuss the other budget tabs. His plan was to talk about revenues first then to discuss expenditures by department. He further commented that

state-wide it's unknown if people will be able to pay taxes on time this year. The primary concern is on the commercial side and probably the City will see a delay in receiving those taxes.

Commissioner Dean asked about finding out what portion of property taxes are commercial business, and whether anyone else has heard more from the Governor's office about property taxes being delayed as far as state income, and if the County will be charging fines/late penalties, and what's the plan there to prevent businesses from closing because they're unable to pay property taxes. Mr. Couey noted currently no official decisions have been made about that. Waiving fees and penalties is up to the County's discretion. Commissioner O'Loughlin commented on the Treasury's relief fund and how that impacts City and County budgets since the legislature was interested in that.

Mr. Couey moved to the discussion to Parks & Recreation administration and maintenance, fund 017, and asked for any further comments/questions following the previous conversation. He clarified the golf course will be discussed later. Director Kristi Ponozzo and Phil Hauck were present.

Mr. Couey moved to a discussion of Public Works, fund 016 and provided an overview of revenues and expenditures including Personnel Services; Maintenance & Operating costs such as internal service charges; and Debt and Capital. He outlined Cash Balances for FY21 Adopted, Amended and Projected, and Operating Reserves. Phil Hauck and City Engineer Ryan Leland were present. Mr. Hauck commented regarding staff and personnel expenses, and operations.

Commissioner O'Loughlin asked for clarification on the Public Information Officer position being moved to the City Manager's budget as opposed to staying in Public Works; Mr. Couey confirmed that was the case. Further discussion followed on the public communications component of Public Works projects and the PIO salary.

Commissioner Dean inquired if there is currently a Deputy Public Works Director and Mr. Hauck explained that position was budgeted but not filled. Commissioner Haladay asked about the transfer out of the salary of the sustainability coordinator's position; Mr. Couey explained the costs of this position are handled the same way as the PIO.

Mr. Couey moved to a discussion of Administrative Services, fund number 015 and provided an overview of revenues and expenditures including Personnel Services; Maintenance & Operating costs such as internal service charges; and Debt and Capital. He outlined Cash Balances for FY21 Adopted, Amended and Projected, and Operating Reserves. City Controller Liz Hurst was present and provided additional comments and background information.

Commissioner Logan asked about the RFP that was sent out for the audit; Ms. Hurst explained it's come back and they've signed a contract with the low bidder. Commissioner Logan asked for more details on the contract and Ms. Hurst stated City Attorney Jodoin had said this one didn't need to come to the Commission and it's already been signed by the Interim City Manager.

Commissioner Dean asked about an increase in Personnel Services between FY20 and FY21 and inquired if that's related to the cost of the CFO. Mr. Couey explained that cost is in there and the jump appears large because of the amount of savings in FY20 by not having that position filled. Commissioner Dean asked if all directions have been filled for this fund except Finance Director and what's the plan for the director position. Interim City Manager Reed indicated they plan to hire a permanent City Manager who will then hire the Finance Director; at this point all other positions have been filled.

Commissioner Haladay asked about the ITS budget that was presented at a previous City-County joint meeting and what line item that's under in the general fund. Mr. Couey explained the details about the increase to the City for the base ITS budget which hasn't yet been added to the budget. Commissioner Haladay asked about expenditures from ITS reserve to cover new full-time positions and if the City Commission is comfortable with doing that without a substantive discussion. Commissioner Dean added comments to the discussion about these positions, as she was involved with the ITS board meeting before the City-County joint session. Commissioner Haladay indicated the concern is about the City ultimately paying for these positions. Commissioner O'Loughlin asked about the use of vacancy savings and if they still haven't decided to fill any positions in future fiscal years. Commissioner Dean indicated that would be evaluated over the next year as IT needs have changed so much due to COVID. The City faces liability in the event of a cyber attack/hack with any security gaps that had been identified in an audit. Commissioner O'Loughlin asked for clarification on what are the increased costs due to COVID and Commissioner Dean said a lot of that is more people working from home and the technological needs there and Mr. Couey also commented on that topic.

Interim City Manager Reed noted the timeframe of today's work session and indicated if this particular topic needs to be re-visited, her recommendation would be to re-visit it at a different time. Mayor Collins commented his feeling that there needs to be continuing discussion about this, so it could be put on the agenda for a separate discussion.

Mr. Couey moved to a discussion of Community Development, fund number 014 and provided an overview of revenues and expenditures including Personnel Services; Maintenance & Operating costs such as internal service charges; and Debt and Capital. He outlined Cash Balances for FY21 Adopted, Amended and Projected, and Operating Reserves. Director Sharon Haugen was present and provided additional comments and background information.

Commissioner Dean commented this might be a good time to discuss the historic preservation program and the requested increase there; Director Haugen indicated she wasn't aware they'd asked for an increased, and provided some historical information about the program, its officer and its budget relative to the County and the City.

Commissioner O'Loughlin commented on that topic and feedback she'd received from other municipalities in the state and how they handle historic preservation through part-time city positions and asked if Director Haugen saw this as a full FTE City employee position or if it could be split with other duties within Community Development. Director Haugen provided her thoughts on this position and workload and any supervisory authority the City has with regards to projects this officer spends time on. Commissioner O'Loughlin asked who funds this position, the City or the Heritage Council; Director Haugen noted the Heritage Council is advisory only and doesn't provide any funding; that comes from the State and the County. Mayor Collins asked about the funding split and who the officer reports to, and Director Haugen elaborated on that.

Commissioner Haladay asked about the breakdown of items that was in the request for additional funding and Ms. Haugen said she'd briefly reviewed that; he further asked what items are City-driven by ordinance/regulation/policy as opposed to "soft impacts" and how much of the time spent by this office is on specifically Community Development

work versus County tasks. Director Haugen provided further comments and insight into that and Commissioner Haladay commented about concerns regarding the structure of the office and whether the City should have its own full-time HPO.

Commissioner Dean asked about the growth policy and how progress will be tracked for short-term, long-term and ongoing goals and how that affects Community Development. Director Haugen commented regarding her staff working on growth policy implementation as well as the County's input on things like joint standards and zoning, but not building codes.

Commissioner Logan commented about the County's request for the City to increase its contribution and it appears the Commission feels that would only happen if this HPO position was solely a City position; Mayor Collins expressed agreement; Commissioner Haladay indicated more information is needed for making any policy decision.

Commissioner O'Loughlin indicated a preference for maintaining this position at its current level and structure but would like more information about how other municipalities do it. She asked about the funding or housing work in the City Manager budget and where that currently stands with current contracts and upcoming projects. Director Haugen commented regarding the housing navigator position and program, and how some funding was a placeholder for any possible housing studies. As far as she knows that strategy money hasn't been spent this fiscal year, just the housing navigator position funds. Commissioner O'Loughlin asked about the Bus Depot funds from that sale; Director Haugen commented on those proceeds along with those from the sale of KPAC park.

Mr. Couey moved to a discussion of the Fire Department, fund number 013. He commented on the fire department levy and taxable values for the mills relative to city taxpayers. This will be discussed in more depth at the June 3 admin meeting along with the Fort Harrison contract and capital projections for the next few years, as Fire Chief Ken Wood is working on the details. He provided an overview of revenues including the big increase due to the Fort Harrison contract, and expenditures including Personnel Services; Maintenance & Operating costs such as internal service charges; and Debt and Capital. He outlined Cash Balances for FY21 Adopted, Amended and Projected, and Operating Reserves. Chief Ken Wood was present and provided additional comments and background information, and commented on what's he's preparing to discuss at the June 3 admin meeting.

Interim City Manager Reed recommended that any discussion of where the Fort Harrison Contract money goes be held at the June 3 meeting rather than today's work session.

Commissioner Dean asked about the progressive increase in expenditures since FY16 and how that's impacted by additional firefighters. Chief Wood explained about different staff vacancies and hiring of nine firefighters since 2018 and a 2018 Commission-approved increase in overtime; in 2019 former City Manager Cortez cut that increase out. Commissioner Dean asked about the difference in firefighter overtime compared to city office employees and Chief Wood commented on their schedule and workload and how overtime relates to the union. Commissioner Logan followed up with a question about overtime and discretionary vacation, and Chief Wood commented about scheduled vacations and discretionary days, as well as any contractual obligations.

Commissioner Logan asked about the FEMA SAFER grant and Chief Wood explained how much of that was left and allocated for FY21

and FY22. Commissioner Logan asked about the fire agreement and Chief Wood provided more information about that and the annexation. Commissioner Logan asked about assistant chiefs and Chief Wood answered currently there's one, and in this budget the plan is to fill a second position. Commissioner Logan asked if there was anything in the budget for Fire Prevention Zero and Chief Wood said no requests were being accepted as of February although he'd planned on that.

Mr. Couey moved to a discussion of the Police & Court, fund number 012. He provided an overview of revenues and expenditures including Personnel Services; Maintenance & Operating costs such as internal service charges; and Debt and Capital. He outlined Cash Balances for FY21 Adopted, Amended and Projected, and Operating Reserves. Police Chief Steve Hagen was present and provided additional comments and background information, including to Commissioner Dean's question about Highway Traffic Safety program not being adopted, and about the MLEA officer. He addressed other changes in personnel including SROs.

Commissioner Dean asked about the decrease in charges for services and if that was due to COVID – Chief Hagen said that was unrelated to COVID, it's a matter of state capital and the SRO officer so the \$80,000 balances out. Commissioner Dean asked if parking fines are in addition to the \$90,000 for the Parking fund and Chief Hagen provided an explanation for that. Commissioner Dean asked for an explanation of purchased services budget reduction and Chief Hagen commented about the carryover from the FY20 budget when they reduced the budget by \$470,000.

Commissioner Logan asked about the assistant chief position being cut – Chief Hagen clarified it wasn't cut, it was frozen as part of last year's budget reduction, but now it's part of this year's budget for that position to be filled. Currently there are two SROs, one assisting detectives with cases and the other acting as a field training officer. Between the City and the school district, the district pays for one SRO and the City pays for three for middle and high schools. Commissioner Logan commented about HPD staffing relative to community needs and call volume and the need for a study of that area, including possible updating of technology systems like CAD and RMS. Chief Hagen commented about the plan for that area and getting data to base their personnel requests of the Commission on, and a staffing study is still included in the current fiscal year's budget. Dispatch is another issue because that's funded solely through the public safety mill levy and the County. Regarding CAD and RMS, that's also funded by the public safety mill levy and updating those systems is a long-term and expensive project.

Commissioner Dean asked if the technology system updates include a digital system for issuing tickets rather than handwriting tickets which is what she saw during her ride-along. Commissioner Hagen commented regarding the use of DigiTicket which is still budgeted for this year, but had to be cut last year for the budget reductions. The plan is to keep this system going forward but handwritten tickets are done about 25% of the time. Commissioner Dean asked for updates on that going forward in the next year.

Chief Hagen further commented regarding urban wildlife and culling deer in the city as pests and causing vehicular crashes. It's a labor-intensive and expensive program and was cut last year as part of the budget reduction. Next year's goal is to bring the program back in some manner; that is a discussion to be held at an admin meeting after the budget is done.

Mr. Couey moved to a discussion of the General Government fund, fund number 011. This fund includes the City Commission, City Manager, City Attorney, and HR. He provided an overview of revenues and expenditures for each of these departments, including Personnel Services; Maintenance & Operating costs such as internal service charges; and Debt and Capital. He outlined Cash Balances for FY21 Adopted, Amended and Projected, and Operating Reserves. Judge Anne Peterson, Nikki Johnson, City Attorney Thomas Jodoin and Interim HR Director Sheri Hall were present.

Mayor Collins asked in regards to HR, what their internal service charges were for this year. Interim HR Director Sheri Hall commented and provided background information on these charges and things that they covered that had been out of the City Manager's budget previously.

Commissioner Logan asked if HR's budget included any union bargaining and Ms. Hall said the only one this year is the police, since the contract was set to be done this current fiscal year, but a one-year extension was negotiated. Commissioner Logan inquired about current staffing in HR and Ms. Hall said there are three but normally there are four. Regarding filling the other position, it was determined it was better to have an admin assistant in HR rather than an upper level benefits position, which would be split between the benefits and payroll specialists.

Commissioner Dean asked about the contract with EMS who does climate and culture studies, the City should have a benchmark to measure where these are, in order to provide data to the new City Manager for decisions about where the city wants to be and how to improve. An annual employee survey would be beneficial. Mr. Couey agreed that should be put into the budget as a separate item if that's something to be done in the next fiscal year. Ms. Hall noted that's outside of the scope of the contract the City currently has with EMS, and the cost of such a study might require an RFP. Discussion of the RFP limit followed. Mr. Couey noted that could be discussed later on as a budget amendment.

Interim City Manager Reed noted that in the interests of maximizing time at today's work session and given that there is some public comment to hear, her recommendation is to discuss the City Attorney and Municipal Court next.

Commissioner O'Loughlin asked a procedural question about discussing Municipal Court and the understanding being that the Law & Justice Center would be discussed at an extra meeting and if that would be the best time to have a conversation about Municipal Court so that all the needed information is available. Mr. Couey commented about the contingency fund and when that additional conversation could happen, whether it's today or in the additional session.

Mr. Couey moved the conversation on to the City Attorney component of the General Government fund, which includes the City Attorney's office and Victim Services Specialist. City Attorney Jodoin added they got notice from the Committee on the Board of Crime Control recommending approval of the VOCA grant for 80% of the Victim Services division. He also commented about specific issues that came up periodically requiring the use of outside counsel.

Commissioner Dean asked where funding comes from for outside counsel and City Attorney Jodoin provided further details and examples of cases that were covered either by MMIA or different departments' special revenue funds.

Interim City Manager noted the conversation will continue for 10 minutes and then they will check on public comment. The discussion will

focus on the contingency fund for the Law & Justice Center. A bigger discussion can be held at a later meeting.

Mr. Couey moved the conversation to the contingency account for the Municipal Court. He covered the dollar amount in this fund and how this is being split to cover the Law & Justice Center remodel for the Municipal Court relocation. He provided updates for the court based on the earlier conversations and to address specific questions from Commissioner Haladay regarding tenant/landlord expenses. Mayor Collins asked how issues like fixing a leaking roof would be addressed; further comments and comments were provided. Interim City Manager Reed asked of the available money left now, how much should go into next year's budget. An explanation was provided as to how much is being requested for the remodel of the Law & Justice Center. Mr. Couey elaborated on the funds available and what came from the 440 fund. Currently there's already \$90,000 available in the fund that could be allocated to this project. Interim City Manager Reed provided an update from the County indicating they're aware of the costs and on board with the current plan.

Commissioner O'Loughlin commented she had some trouble hearing that discussion and asked some questions to clarify the total cost of the project and how much of that is tenant and how much is landlord. She asked follow-up questions for the purposes of the contingency fund and Mr. Couey commented about that. Commissioner O'Loughlin recommended keeping some funds in here as a contingency fund and to have a further conversation about the Law & Justice Center in the Facilities budget to get a better understanding of what are the landlord and tenant costs. Interim City Manager Reed asked to confirm and clarify what is being asked here.

Commissioner Haladay commented that the numbers in this particular sub-fund should be closer to FY19 actual numbers of \$175,00 and he expressed agreement with Commissioner O'Loughlin's recommended approach for further conversation.

Commissioner Dean asked for some historical background about funds like this given it's only shown in the budget starting in FY19 but Commissioner Haladay mentioned former City Manager Alles had something similar. Commissioner Haladay provided additional information in answer to those questions and noted he'd looked into that earlier. Commissioner Dean asked a historical preservation grant was an option and did the City apply for one. An explanation was provided that the grant did not apply to this project. Commissioner Dean asked if there were any other grants that this project would be eligible for.

Interim City Manager Reed noted two public comments were received and there were still a number of funds to discuss, which will need to be moved to another session. Mr. Couey said the Golf fund still needs to be addressed as part of the fund; discussion of the general fund as a whole can be finished today with bigger conversations pushed to later on. Mayor Collins recommended finishing the general fund discussion and then taking public comments.

Mr. Couey moved the discussion on to the next areas of the general government fund, starting with the City Commission. Amanda Optiz was present. Commissioner O'Loughlin asked about the FY21 allocation for elections that isn't needed and shouldn't have been carried over. Interim City Manager Reed said that was correct. Audrey McCue was unable to attend today's session but can follow up as needed about this particular item. Another discussion to have about this is a concern about the number being used for election expenses for FY21 for both primary and general elections and that might be too low. Additional

expense should be anticipated by the Commission up to \$120,000 per Ms. McCue's recommendation.

Commissioner O'Loughlin asked about the timing of each fiscal year and what election is being covered here. Interim City Manager Reed commented that Ms. McCue could further explain this better and can follow up with the Commissioners individually, as the timing is what is complicated about this. Commissioner Haladay commented that this particular item has been removed in off years before and inquired why a budget amendment couldn't be done in the event of an unforeseen special election. Interim City Manager Reed expressed agreement with that point and it should be clear that the Commission is planning for unexpected things like that. Mr. Couey commented further on Commissioner Haladay's suggestion of doing a budget amendment; Commissioner Haladay noted that would be his recommendation rather than budgeting for an election that isn't anticipated.

Mayor Collins asked for the information from Ms. McCue to be forwarded to the Commission and Interim City Manager said she would do that and also coordinate with Ms. McCue to meet with the Commissioners about that.

Commissioner Dean asked about facilitating a discussion about setting up Commission operating procedures to keep things moving smoothly forward in the future. Commissioner Logan concurred. Interim City Manager Reed pointed out that there is a fund that includes Commission training and she could add additional funds there if directed to do so; that particular line item is currently at \$1500.

Mr. Couey moved the discussion on to the next area of the general government fund, the City Manager's budget, and provided an overview of the transit study and housing strategy line items. He also addressed the bigger item of discussion, the contracted services section including sustainability items and the housing navigator position. Sustainability Coordinator Patrick Judge was present by phone.

Commissioner Dean asked about interlocal policy development and about miscellaneous and what those were. Mr. Judge provided additional comments and background information for this line item for \$8,000. Interim City Manager Reed commented on the misc. line item and indicated that's necessary.

Commissioner O'Loughlin asked about FY20 projected and if that number is what's been spent or what's been allocated and Mr. Couey explained that's the budget for this account for FY20. Commissioner O'Loughlin said that given the different priorities of the Commission she is fine with eliminating the transit study and housing strategy line items, as well as the \$20,000 allocated for HPAC's Ghost Sign project. Commissioner Haladay expressed agreement with the differences in Commission priorities from last year until now and it makes sense to zero out these three line items. Mayor Collins indicated he was fine with removing the transit study and housing strategy but for HPAC's Ghost Signs projects suggested it could be reduced rather than eliminated. Discussion ensued about where this line item should be located within the overall budget and the downtown initiative.

Commissioner Dean asked if today's conversation would get to City of Service Grants and commented that a little more detail could be added to clarify this line item in the budget.

Commissioner Haladay commented he'd like the Commission to consider supporting the Sun Run contribution for clean energy as a community activity and would like the Commission to consider 1) funding it at all and 2) funding it the same as last year at \$1,000. Commissioner Dean and Mayor Collins expressed agreement with that.

Commissioner O'Loughlin asked about MBAC which had previously gotten \$5000 from the City; since they are a unique organization the City works with the question is should that be noted anywhere in here. Mr. Couey said they didn't submit an application for the RFP for the City of Service grant. Commissioner Dean and Commissioner Haladay also commented on this board and provided historical background information and expressed his recommendation that the Commission continue supporting that board. Commissioner O'Loughlin suggested adding \$5,000 for MBAC and \$1,000 for Sun Run. Commissioner Dean added this raises the issue of how to do the City of Service grants specifically and more generally how the Commission wants to approach this sort of thing in the future. Commissioner Haladay added that historically these two items have been left out of the budget but agreed the process could be streamline and merits a full Commission discussion with applicants for these types of grants. Mayor Collins agreed with the recommendations and also asked about funding for Symphony under the Stars, and why that's gone down even if their applications didn't meet the criteria for a grant during the RFP, given how much the event does for the Helena community generally, and suggested at least continuing with the current amount for the program of \$5,000. Mr. Couey said that in their original application they almost didn't meet the criteria in the application itself, but the City did acknowledge the program's history with and importance to the city so that's why they got \$2,000. Commissioner Haladay expressed agreement with Mayor Collins. Commissioner Dean suggested streamlining the process going forward.

Mayor Collins opened the floor to take public comments and Interim City Clerk Clayborn indicated two comments had been received. Interim City Manager Reed confirmed which areas of this fund need to be moved to a later date for discussion.

Public comment: Shelly DeMars of the Montana Police Protective Association submitted a written comment in support of the addition of the assistant chief of police position in the upcoming budget, and in support of Chief Hagen's plans for a staffing study.

Former Helena Citizens Council Sumner Sharp joined the work session via phone to ask about the transit study and the housing strategy items that were removed from the budget; the HCC would like information on what those were meant to do and why they are being dropped. He also commented regarding the HCC budget and the amount of staff time that goes to HPAC.

Adjournment

There being no further business to come before the City Commission, the meeting adjourned at 6:12 p.m.

/S/ WILMOT COLLINS

MAYOR

ATTEST:

/S/ DANNAI CLAYBORN

CLERK OF THE CITY COMMISSION

