

SUMMARY OF ADMINISTRATIVE MEETING

**January 8, 2020 – 4:00 p.m.
Room 326, City-County Building
316 N. Park Avenue**

1. **Call to order, introductions, opening comments** – Mayor Collins called the meeting to order. Commissioners Logan, Haladay, O’Loughlin and Dean were present.
Staff present: City Manager Ana Cortez, Assistant to the City Manager Amanda Opitz; City Attorney Thomas Jodoin; Deputy City Attorney Iryna O’Conner; Police Chief Steve Hagen; Fire Chief Mike Chambers; Interim Public Works Director Eric Urban, City Engineer Ryan Leland, City Controller Liz Hirst, Budget Analyst Chris Couey; Transportation Systems Director David Knoepke; Parks, Recreation and Open Lands Director Kristi Ponozzo; Human Resources Director Yolanda Franco; Community Development Director Sharon Haugen, City Planner Lucy Morrell-Gengler; Community Facilities Superintendent Troy Sampson; Public Information Officer Rebecca Connors and Interim City Clerk Dannai Clayborn.
Others in attendance included HCC
2. **November 13, 2019 Summary** – The November 13, 2019 administrative summary was approved as submitted.
3. **Commission comments, questions** –
 - a. Board Appointments
Mayor Collins thanked and welcomed the Helena Citizens’ Council. Mayor Collins received the applications for the Citizen’s Conservation Board, Golf Advisory Board, City-County Planning Board, and City-County Library Board. Commissioner O’Loughlin welcomed new commissioners and expressed support for Helena BID and the possibility of having a standing agenda item on the Administrative Meeting for the BID and DHI. Mayor Collins welcomed the newly elected Commissioners.
4. **City Manager’s Report**—
 - a. Decision Making Structure for Administrative Meetings.
City Manager Cortez reported the closure of Macy’s store. Rebecca Connors had been reached out to Senator Tester’s office and other entities to look for options to keep the store a little longer but is a decision making from the Macy’s Corporation. Manager Cortez discussed the Chapter 7 (Open Lands Management Plan) and indicated we need directions to adapt it soon or added into the higher Master Plan. Manager Cortez explained the voting process in the Administrative Meetings.
5. **Litigation Strategy** – No report given.
6. **Department Requests** –
Finance –
FY2020 Budget Amendments

Budget Analyst Chris Couey reported on staff recommendations for Budget Adjustments.

Manager Cortez stated this report was an effort to fully inform the Commission on any adjustments to the Budget from each department.

Commissioner Dean suggested the Budget Amendment Document presented to the Commission be placed on the website for public consumption.

Commissioner O'Loughlin asked for additional information on the 911 Grant money received by the Helena Police Department. Police Chief Hagen stated the Grant money had been approved at a Commission meeting previously and would be used for a reimbursement.

Commissioner Haladay asked for additional information regarding the additional funds for audio and visual equipment for the Municipal Court. Judge Peterson stated the need for additional funds were required to allow for communication issues between the jail feeds and the new location of the municipal court.

Additional discussion was had about utilizing consultants to see find how the service provided by IT&S to the City could be improved.

Finance –

Short Term Investments Pool (STIP) Program, Montana of Board of Investments, designated representative

City Controller Liz Hirst reported the current designated representative, Glenn Jorgenson, has retired requiring an updated resolution to be adopted. Ms. Hirst asked the Commission to Place the resolution on the January 13 agenda for action to designate Liz Hirst as the authorized representative and Barbara Walsh, and Colin Osmanon as authorized delegates.

City Attorney –

Resolution authorizing municipal elected officials to participate in the employee benefits program.

City Attorney Jodoin reported The City of Helena participates in the Employee Benefits Program (“Program”) offered by Montana Municipal Interlocal Authority (“MMIA”). That Program includes medical, dental, vision, and life insurance benefits to eligible City employees. Historically, those benefits have also been made available to elected municipal officials, specifically the Mayor, City Commissioners, and Municipal Court judge, on the same basis as provided to the city staff. Mr. Jodoin stated for record keeping purposes MMIA needs a resolution passed by the city commission authorizing the participation of elected officials in the Program.

Finance –

One-time additional pay of \$350 (before taxes) to most City Employees on June 30, 2020. Exceptions to this one-time additional pay include HPPA members, Directors and City Manager.

During the FY 20 and FY 21 Biennial budget process, the City Commission recognized the need to provide salary increases due to inflation. The salary adjustments were paused waiting for resolution of negotiations with the Helena Police Protective Association (HPPA). As these negotiations have moved slowly, the

City wants to provide a salary adjustment for 1/1/2020 through 6/30/2020 or the second half of FY20 for most City employees.

Staff proposes a one-time additional pay of \$350 per employee (except for HPPA members, Directors and City Manager) to be provided in the last pay period of the current fiscal year and only to employees that are on the payroll on 1/1/20 and on 6/30/20. The impact to the City is \$115,000. This amount represents:

- 1- Forty cents per hour per employee except for those represented by the HPPA, Directors and City Manager.
- 2- Eleven pay periods (the number of periods between 1/1/20 and 6/30/20).

By providing a one-time additional pay, employees receive the benefit of an additional forty cents per hour for the last six months of the FY20.

By providing a one-time salary increase, the City does not negatively affect its pay philosophy, pay scales, differential between steps and grades.

By providing this increase in this manner, the City curtails the current trend of permanently increasing personnel costs.

By making this increase, the City provides a larger benefit to those in the lower end of the pay scale.

By allowing unions to benefit from this increase, excluding HPPA, the City acts in good faith providing a benefit that was not negotiated nor is it mentioned in the agreements with the following unions: Support Services Division, 9-1-1 Emergency Telecommunications, Fire Local 448.

A one-time additional pay allows the Finance and the HR Department to amend the pay philosophy and pay matrix at a later time. Currently, the compensation structure has a number of questionable policies which MMIA has indicated need attention. Staff requests Commission direction to place item on January 13th Regular Commission Meeting Agenda.

Commissioner O'Loughlin thanked staff for the summary provided on this item and asked staff if it would be possible to provide the proposed one-time payment could possibly be broken into two payments, one in March and one in June. Manager Cortez stated she would be able to work with staff in order to make this adjustment.

Commissioner Dean asked if the salary adjustments discussed more broadly to staff were based upon all union negotiations or specific unions.

Commissioner Logan asked how the overall negotiations with the unions were going, and if there was a sense of a final agreement. Manager Cortez stated the negotiations were slow.

Community Development –

Consider accepting the dedication of the seventy-foot (70) wide Sanders Street right-of-way (ROW) and the fifty-foot (50) wide Vandelay Place ROW generally located south of Prospect Avenue, north of 11th Avenue, and east of Roberts Street, in the City of Helena, Montana.

Community Development Director Haugen reported the City has received a request from Capital Hill Investment, LLC to reestablish Sanders Street and a portion of Twelfth Avenue (Vandelay Place). The subject section of Twelfth Avenue was vacated in 1958 and Sanders Street was vacated in 1979 to accommodate the construction of the

Capital Hill Mall. The mall has recently been demolished and the property is being redeveloped. As a component of that redevelopment project, an amended plat has been submitted showing reestablishment of the north/south Sanders Street connection between Prospect Avenue and 11th Avenue and east/west Vandelay Place. The subject property is in a B-2 (General Commercial) District.

The applicant's objective is for the City to accept the dedication of the seventy-foot (70') wide Sanders Street ROW located south of Prospect Avenue and north of 11th Avenue and the fifty-foot (50') wide Vandelay Place ROW located east of Roberts Street between Prospect Avenue and 11th Avenue. The proposed Sanders Street ROW width is consistent with existing Sanders Street located north and south of the proposed dedication. The proposed Vandelay Place ROW is fifty-foot (50') wide. The City Engineering and Design Standards indicates all streets should accommodate the complete streets policy including sidewalks, boulevards and on-street parking. A sixty-foot (60') wide ROW is generally required to meet those components although the design standards also allow deviations. The standards state eliminating on-street parking may be allowed with a showing that adjoining uses would provide sufficient off-street parking. The adjacent property is currently undeveloped; when adjacent properties are developed all required parking would have to be provided off-street if the proposed fifty-foot (50') wide Vandelay Place ROW is accepted. The Transportation Department has expressed concerns with the narrower right-of-way due to snow removal. The subject survey is exempt from subdivision review per Montana Code Annotated for creating rights-of-way, boundary line relocation, and aggregation. The only part of the plat the City Commission is reviewing is the acceptance of the ROW dedication.

Staff requested Commission direction to place item on January 13th Regular Commission Meeting Agenda.

Commissioner Dean asked if the two-foot gap referenced in the report was a point of concern for the City. Staff stated this would not be a concern due to its orientation on private property.

Commissioner O'Loughlin asked for additional information on the status of the parking discussions for the area.

Community Development – **Consider adoption of 2018 Building Codes**

Community Development Director Haugen reported currently, the building construction related codes and related State mandated amendments are in several chapters within Title 3 of the Helena City Code. Each chapter is representative of separate ordinances related to the adoption of building construction related codes. Currently, the Building Division for the City of Helena is enforcing the 2012 editions of the IBC, IRC, IEBC, IMC, IFGC, UPC and the 2014 NEC. Effective December 7, 2019 the State of Montana Building Codes Program adopted new Administrative Rules of Montana (ARM) implementing the use of the above codes and mandating their adoption. ARM 24.301.202 requires the code adoption by certified local jurisdictions be the same as those adopted by the State with 90 days to adopt this version of the codes from December 4, 2019. The codes as adopted by the State may not be altered and must be adopted by certified jurisdictions in the same editions with the same amendments as adopted by the State.

Once the City has adopted the above codes, notification must be sent to the state informing them of the adoption as well as copies of the ordinances.

MCA 7-5-108 requires when an ordinance is proposed for adoption that it incorporates by reference the provisions of any code or amendments and that codes and amendments shall be available for public inspection and examination a minimum of 30 days prior to final adoption in the City Clerk's office. The State deleted Section 116 – Unsafe Structures and Equipment in its entirety when they adopted the current edition of the IBC. This decision was based on an Attorney General's opinion and provision in Title 50, Chapter 60 MCA, that states the building and construction standards do not apply to existing building and equipment that become unsafe. The International Fire Code (IFC) has a comparable section, Section 111 – Unsafe Building, that does provide for the regulations of buildings or structures that have become unsafe. The enforcement of this section will begin with the Fire Department.

The purpose of the proposal is to present the above series of codes, as amended through the State of Montana, to the City Commission for first passage and set a hearing for February 24, 2020. City staff is recommending the proposed consolidation of all the building construction related codes into a single chapter and adopting by reference the amendments to the above stated codes required by the state.

The State of Montana has chosen not to adopt the 2018 International Energy Conservation Code (IECC) at this time to provide further discussion through public listening sessions throughout the state. We will bring the adoption of the 2018 IECC to the Commission at a later date.

The 2018 International Fire Code (IFC) is not being adopted at this time. The State's adoption of the IFC is through the State Fire Marshal's Office. That process has not been completed and will be put forward to the Commission by the Fire Department at a later date. The 2018 International Wildland-Urban Interface Code (IWUIC) is not being considered for adoption at this time. The City of Helena is engaging stakeholders and will bring forth a recommendation regarding the adoption of the WUI at a future date.

The 2018 International Swimming Pool and Spa Code (ISPSC) is not being considered for adoption by the City as it is currently being enforced by the Lewis and Clark County Public Health Department and DPHHS, along with several other pool codes. Having multiple agencies enforcing the same code may lead to multiple interpretations of provisions and confusion for the applicant.

Staff requests Commission direction to place item on January 13th Regular Commission Meeting Agenda.

Commissioner Logan asked staff what the timeline would be for adoption of the WUI code might be. Staff stated there had been multiple meetings regarding the code and staff would continue these discussions to formulate the best options on how to adopt the WUI codes for the City specifically.

Commissioner Dean stated she would like to solidify the metrics for how the City defines "affordable housing." Commissioner Dean asked for clarification on the staff recommendations for the revocation of business licenses versus fines for violations to the codes.

7. **Department Presentations**
Parks, Recreation, Open Lands & Civic Center –
Final Draft Helena Open Lands Management Plan - Recreation Chapter
Update

Parks, Recreation & Open Lands Director Ponzoso reported starting in Spring 2019, the City of Helena engaged CDR Associates to lead the Helena Open Lands Recreation Plan update. The CDR team interviewed 50 individuals from 23 organizations or affiliations and reached out to nearly 80 individuals from 38 organizations or affiliations. From these interviews key themes emerged.

In Fall 2019, CDR engaged Halliday & Associates to design and facilitate three community workshops to gather input on key themes. More than 100 people participated in the workshops. In addition, an online survey generated more than 150 responses. The community input helped guide the City of Helena's Open Lands Recreation Plan update.

The purpose of the Helena Open Land Recreation Plan is to be an accessible, usable policy guide for current and future decision making. As a tool, it is intended to guide at a policy level not prescribe operational tasks. The City of Helena envisions this plan to serve as a policy guide for current and future decisions. The City recognizes that uses and demands will continue to change over time. This policy plan sets out broad guidance and a collaborative process to equip the community's stewardship of Helena Open Lands.

Staff requests the Commission provide direction on adoption of the new Open Lands Management Plan Recreation Chapter and or its preference for a full adoption of the entire Helena Open Lands Management Plan at a future date.

Commissioner O'Loughlin asked if staff thought additional discussion would be necessary for the public involvement and public process, in order to plan as the use of Open Land use in the future. The Commissioner asked if this current plan was forward thinking enough to anticipate how the process might need to adapt to future land use discussions. Director Ponzoso stated the discussions did take into account how land use might need to adapt, and the plan was flexible enough to remain applicable.

Claudia Clifford, Helena Hikes, thanked the staff for their efforts on the revisions.

Commissioner Haladay suggested the Plan be put through additional discussions at the Administrative level to ensure all necessary revisions were adopted at one time.

Finance - CAFR Discussion

City Manager Cortez reported The City of Helena's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019, is due January 31, 2020. This presentation will review any items from the January 6 audit exit conference held with auditors, staff, and the audit committee; present the draft CAFR for Commission review.

This presentation will review this important document that reflects the financial conditions of the City of Helena for FY 2019. This presentation will be the first opportunity to highlight important elements of the CAFR and review audit reports. Final adoption will be January 27.

Commissioner O'Loughlin stated she had an opportunity to meet with the Auditors and thanked staff for their hard work on this very extensive document. Commissioner O'Loughlin pointed out the Auditors gave the City a clean audit.

Finance - Introduction to the Comprehensive Capital Improvement Plan, General Fund Only

Budget Analyst Chris Couey reported Capital Assets and Projects are budgeted according to a replacement schedule and master plan, respectively. Assets are managed by the Finance Director via Department Director requests and projects are managed by the City Engineer via direction from the Commission based on priority. Mr. Couey stated adoption of a comprehensive document that will identify and track current and future CCIP items. By approving each section of the document, Commission will be by extension approving any financial adjustments or transactions necessary to adhere to the plan.

Community Development –

Deed restrictions associated with the transfer of 630 North Last Chance Gulch

Community Development Director Haugen reported the City of Helena released a request for proposal for the purchase and development of city owned property located at 630 Last Chance Gulch. After viewing several proposals, the review committee recommended that the property be sold to Seely Building LLC. The Commission approved the buy-sell agreement with Seeley Building LLC on December 16, 2019.

One requirement in the RFP was that twenty-five (25%) of the residential units would be affordable for households not exceeding 120% of the area median income (AMI). In Helena, the AMI for a family of four is \$76,605; the maximum family income would be \$91,926. The buyers of the workforce housing units must be eligible and not surpass the income limits. The proposal by Seeley Building, LLC set aside two of their eight residential condominiums to serve that purpose. Staff has prepared elements to be included in the deed from the City to the Buyer to ensure compliance with eligibility criteria and workforce housing goals. The deed restriction elements include:

1. The City must approve sale of the unit to eligible household and the transfer of workforce units for a period of 10 years from the date that the final occupancy permit is issued for the development. The same restriction would be put in the deeds transferring the units and in the condominium declaration documents. The city's rights with respect to the deed restriction will likely be protected in the closing process because the title insurance and financing will not issue unless the prospective buyer produces a letter of approval from the city.
- 2 . Eligible buyers of the workforce housing units cannot rent or lease the units for the 10-year period of affordability. This restriction includes short term or vacation rentals such as Airbnb.
- 3 . The price point of the two workforce housing units will be capped at \$285,000. That maximum price point is based on the median family income in Helena being \$76,605. It is generally accepted that housing costs should be no more than 33% of the gross income to be considered affordable. For a family making \$91,926 (120% of median family income), 33% is equivalent to \$2,527 per month. The actual, approved price point will be determined during negotiations with the Buyer.

4 . To ensure the development according to the proposal the City and Buyer will enter into a development agreement that requires a cash deposit, a performance bond (to the extent once can be obtained) or an irrevocable letter of credit, for a specific amount in an escrow account. If the buyer does not develop the property or if the property is not developed in accordance with the plan provided to the City, the City will be able to obtain the cash deposit, performance bond or irrevocable letter of credit.

5. In case of resale during the affordability period, the City will include a maximum resale price that shall be the lesser of i. the base price plus simple interest on the base price at a rate of 1.5% per year or ii. The base price inflated according to the Consumer Price Index calculated from the month and year of purchase of the home to the month and year of the intent to sell notice or other event triggering a purchase option. The City shall use the Bureau of Labor Statistics to calculate the amounts.

6 . During the affordability period, the City will allow a Capital Improvement Allowance equal to the cost of capital improvements, if any, made to the units by the eligible household. In no event shall the Capital Improvement Credit exceed 10% of the Base Price.

Rex Seeley, the purchaser of the property, thanked the City for their cooperative efforts in this buy-sell process, and looked forward to finalizing the sale.

Commissioner O'Loughlin asked for additional information on the questions raised most recently by Mr. Seeley and his legal counsel but felt the Commission should continue to allow the City Manager and Staff to move forward with negotiations. Commissioner O'Loughlin offered to act as a Commission representative to field these questions and finalize negotiations on behalf of the Commission, alongside staff representatives. The Commission agreed to allow Commissioner O'Loughlin to act in this capacity.

8. Committee discussions—no discussions

9. Review of agenda for November 18, 2019 Commission meeting –

City Manager Cortez asked for confirmation for direction from the Commission to move the agenda items discussed this evening forward for further discussion at later Commission meetings. This direction was confirmed.

10. Public comment – none received.

11. Commission discussion and direction to City Manager – direction previously given.

12. Adjourn – The meeting adjourned at 6:15 p.m.