

SUMMARY OF ADMINISTRATIVE MEETING
April 29, 2020 – 4:00 p.m.
Zoom Online Meeting <https://zoom.us/j/4129664351>

1. **Call to order, introductions, opening comments-** Mayor Collins called the meeting to order. Commissioners Dean, Haladay, Logan, and O'Loughlin were present.

Staff present: Interim City Manager Melinda Reed; City Attorney Thomas Jodoin; and City Budget Analyst Chris Couey, City Transportation Systems Director David Knoepke, City Controller Liz Hurst, Interim Public Works Director Phil Hauck, City Engineer Ryan Leland

Others in attendance: Business Improvement District (BID) Director Micky Zurcher

2. **Commission comments, questions-**

- a. **Board Appointments-** Mayor Collins commented that he did not have a board appointment package. Interim City Clerk Clayborn said that an appointment application for Larry Middagh was received by email from Micky Zurcher. There was no other feedback from the Commission on the appointment. Mayor Collins asked for comments. Commissioner Dean noted that Middagh's recommendation from Lasso the Moon was good, and she is in favor of appointing him. The appointment will be put on the agenda for the next administrative meeting.

3. **City Manager's Report-**

- a. **COVID Response-** Interim City Manager Reed said there are no updates or significant changes. The City is moving into Phase I operations under Governor Bullock's direction. There will be new hours for the Transfer Station. She will keep the Commission and public informed as changes are made.

Ms. Reed mentioned that Dr. Gregory Thomas has reached out regarding doing an organizational consultation for the city. Dr. Thomas sent a proposal letter to the main Commission address, possibly prior to her appointment, so she doesn't have much information. She offered to research it and present the information at a future meeting.

Commissioner O'Loughlin recommended that they do an RFP for services if they decide to move forward with it, perhaps not immediately but as they continue to discuss hiring a new City Manager and their goals for the City. Commissioner Haladay agreed that they would need to do a competitive RFP and noted there was some discussion about doing a managerial evaluation 4-5 months ago, but no conclusion was ever reached. He said the organizational surveys he's been involved with tend to be more holistic and the Commission would need to decide what the component pieces and the budgetary needs would be. Commissioner Logan said he is supportive of doing an assessment sooner rather than later. He thinks it's an important baseline for moving forward. Commissioner Dean agreed and suggested that they discuss it during the budget work sessions. She thinks that with a new City Manager coming in it will help measure progress. Mayor Collins asked Manager Reed to include the topic on the May 4th meeting agenda.

- b. **Parking Update-** Interim Manager Reed turned the discussion of the parking situation and outcomes due to measures taken in response to the COVID emergency over to City Transportation Systems Director David Knoepke.

Mr. Knoepke said that the City receives parking revenue from five sources: garages, on-street, off-street, fines, and miscellaneous. Approximately 56% of revenue is derived from garages; 19% from on-street (kiosk); 19% from off-street; 4% from fines; and less than 1% from miscellaneous sources. Parking is run as a revenue-based business and has been impacted significantly by the COVID safety measures taken by the City. He asked for questions from the Commission.

Commissioner Dean asked what is the largest expenditure paid for from parking revenue? Mr. Knoepke said it's the debt accumulated by building the parking garages, followed by operating expenses such as maintenance and personnel salaries, and capital projects. Commissioner O'Loughlin asked if there was a general fund transfer into the parking account over the last fiscal year? Mr. Knoepke didn't think so but said he would check on it.

Commissioner Dean asked how many people who have permits are not public-facing companies or organizations that are still working, and how many are retail business owners/employees that obviously aren't doing as well now? Mr. Knoepke said he would get a breakdown. Commissioner Dean said that some customers can continue to pay for permits, but she is concerned about the retail business and restaurant workers who are already stressed by paying living expenses and she doesn't want them to have the stress of paying for parking too.

Commissioner O'Loughlin noted that there are two aspects to paid parking: monthly permits and kiosk parking. She wondered if permit parking is used mostly by office and public employees and who pays for it. She would like to know what the business community considers the priority – looking at monthly permit fees for employees or kiosk parking fees for customers? Commissioner O'Loughlin noted that the U.S. Treasury Department released guidance that made it clear that local governments can't use coronavirus relief funding to offset revenue losses, and there doesn't seem to be much chance the City will recoup parking fee losses; at this stage the Commission should primarily be looking at how to help downtown businesses. She thinks that with the phased reopening, monthly parking fees is something they may want to enforce, while continuing free on-street parking.

Director Knoepke said that re-programming the on-street parking kiosks is expensive and time-consuming, with a two-week timeframe to put changes into place. In addition, the City would have to create supplemental signage reflecting the changes in kiosk fees. He said that the revenue from the kiosks before the COVID outbreak was about \$25,000 per month. Commissioner Dean asked if those fees go toward the debt service for the kiosks? Mr. Knoepke said it does, as well as toward overall parking infrastructure.

Mayor Collins asked for public comments, which were read into the record.

Melisa Synness of Buzz Boutique suggested a "welcome back" to downtown shopping with two hours of free parking.

Micky Zurcher asked Mr. Knoepke is there has been any concern regarding kiosks and sanitation, as a few business owners had expressed concerns. She noted that there is a parking app people can use to pay so they don't have to touch the kiosks and asked if it should be promoted? She indicated she would get further information regarding Commissioner O'Loughlin's questions.

Ms. Synness said that downtown businesses can't continue to lose customers, many of whom wait until Saturday to shop so they won't have to pay for parking.

Worby McNamee (221 Wallace) suggested in an email to the Mayor and Commission that parking fees should be waived on Last Chance Gulch and that businesses should be allowed to operate on the sidewalk to maintain social distancing.

Mayor Collins said the Commission should wait for feedback from Ms. Zurcher concerning what business owners think, then they can discuss it at the next meeting.

Commissioner Dean asked City Manager Reed and Transportation Systems Director Knoepke if they need direction now or if they can wait until after the next meeting. They indicated they would like some direction now on permit parking, as the invoices are set to go out, and that kiosk changes take at least two weeks. Further discussion ensued.

Commissioner O'Loughlin expressed concern that if they don't charge for parking permits in May the revenue loss will be too great, and they won't be able to waive fees for on-street parking. She recommended going forward with invoicing permit holders for the month of May but waiving street parking fees. She asked staff to gather more information before the second week of May so the Commission can discuss different revenue sources, projected expenditures, and how to proceed in June. Commissioner Logan agreed with this proposal. Commissioner Dean agreed but expressed concern that some permit holders may not be able to pay and suggested they be allowed to contact the City in that situation. Commissioner Haladay also agreed with that approach, saying that permit parking pays the largest portion of debt service and operational costs anyway. He noted that the Montana State Fund parking garage does not pay for itself and that fees from the other garages are needed to subsidize it. He would like to discuss on street parking further at a future meeting. Mayor Collins confirmed to Ms. Reed and Mr. Knoepke that permit holders will be charged for May and street parking will be free of charge.

4. Litigation Strategy- City Attorney Jodoin had nothing to report.

5. Department Requests-

a. Finance – Stale Dated Checks. Mayor Collins called on Budget Analyst Chris Couey, who deferred to City Controller Liz Hurst. Ms. Hurst reported that 7-6-4303, MCA authorizes the City to void outstanding stale dated checks. The total amount of outdated checks staff is requesting to void issued prior to September 21, 2019, is \$350.45. Each payee was notified by letter so a replacement check could be requested and issued. The payees on the attached list either didn't respond to our letters, indicated they did not want a replacement check, or could not be located. A list of the checks recommended to be voided is attached. She recommended that the Commission authorize this item to be placed on the Consent Agenda for the May 4 Regular Commission meeting.

6. Department Presentations-

a. Finance – Presentation of past, present and future debt funding as it relates to capital schedules and fund balances. Mayor Collins called on City Budget Analyst Chris Couey, who reported that in the course of revising the FY21 budget they determined that a lack of securing debt financing in fiscal years 2019 and 2020 resulted in the depletion of Public Works and Transportation fund balances. This appears to be the result of staff

turnover and department reorganization. He has been working with Phil Hauck, David Knoepke and Ryan Leland to identify proposed solutions to FY20 operations and a plan for FY21 that replenishes the fund balances to healthy levels. Unfortunately, the solution requires postponing multiple projects. Keeping in mind the priorities of this Commission, they have developed what they believe to be a comprehensive plan to restore the affected funds' financial strength.

Attached are documents that outline the current state of the relevant funds, their projected fund balances as they exist now and the proposed "fixes" for FY20 that will lead to a revised FY21 capital schedule. They welcome the Commission's feedback and guidance as they attempt to move forward for the good of the city.

Commissioner Logan asked Mr. Couey if he could give an overview of the "fixes" and impacts on various projects. Mr. Couey explained that the approach they took for fixing FY20 was to identify the projects that had public safety or infrastructure concerns or were Commission priority projects. The fixes concern items where the money is contractually obligated or was already spent. They tried to cap as much as they could for FY20, keeping safety and infrastructure concerns in mind to make sure they didn't end up with a negative fund balance. There may have been a chance to get some of the funding back in place this year and keep some of these projects on track, but it was a big risk to take, especially this late in the year. If they didn't get the funding in time, they would run the risk of having to fill out a CAFR showing a lot of these funds negative, and they didn't want to take that risk.

Commissioner Dean said the spreadsheet they sent was very helpful in laying out where the issues were and how the fixes were found, and she would like to see it posted on the Finance page website. She cautioned that they can't afford to have this happen again, and asked staff to put together some checks and balances for the Commission to ensure there isn't a recurrence. She would also be interested in having budget items that come before the Commission explained in terms of how they will be paid for, whether debt service or current revenue. Mr. Couey said they can post the information on the Finance page. He has already started putting some checks and balances in place internally. There was a lot of compartmentalization in the budget in the past. Once this budget is adopted he will prepare a memo for everyone involved in projects related to debt funding and create automatic calendar invites throughout the year to make sure everyone is involved. Part of the problem was there wasn't personnel in place to initiate loan paperwork; with more people involved projects won't slip through the cracks. He also will not give debt-funded projects project numbers until loan papers are initiated or award letters are sent so no expenditures can be posted against a project without that number. Typically, most projects are done through the budget process. When they get to the work sessions the Commission will be able to see any debt funding has a respective project tied to its amount in the revenue source. The Commission will be able to see which projects will need debt funding and which will be taken out of the fund balance. The same will be done for all projects, and he will provide updated cash flows that go with those projects as they are presented throughout the year.

Commissioner O'Loughlin asked what time of year is debt generally issued, or if it's issued by project? Mr. Couey said that it varies by the start of the project. Loans are initiated when they get close to the starting point for projects. Some loan processes take longer than others. It might be advantageous to initiate all loans at the beginning of the fiscal year, but

some projects don't get started in the same fiscal year; if they take out the loan the City would have to start paying on debt service even if the project hadn't gotten started.

Commissioner O'Loughlin asked Interim Public Works Director Phil Hauck if some of the bigger projects had already been delayed in previous fiscal years, and if he has concerns about some of the projects in Public Works? She asked if it would be all right to delay some of these projects for the year? Mr. Hauck answered that projects delayed in FY20 that were critical will show up again in the FY21 budget. What typically happened is that they were engaged in an engineering contract in FY20, but the project didn't get off the ground. On paper, it showed the budget as going negative. Through the changes they're proposing, they made sure that wouldn't happen; they would just re-budget those critical projects in the next fiscal year. Some other projects weren't quite ready to get started for various reasons, such as they ran into difficulties or the projects were more complicated than they thought when they were first budgeted. They fixed a lot of the issues by taking out the projects that wouldn't have happened anyway. Some projects can be added back, or even debt financed if there is an adequate cash balance when they go through the budgets. For example, they delayed the transmission main from the Ten Mile treatment plant into town (a \$6M project) to a future year, maybe FY22 or beyond. If the Commission feels the project is a priority, they could get started on the engineering portion of it in FY21 and do the project in FY22 with debt. They left a cushion in the budget, so the Commission has some room to pursue priorities. They haven't found anything yet that can't be fixed or will be problematic. They've limited debt in water and stormwater for FY21 and they are proposing a few loans in wastewater in FY 21 that they'll be talking about in the upcoming budget meetings.

Commissioner O'Loughlin asked if the Rodney Street project is expected to be pushed back to FY21 and requested a quick timeline. City Engineer Ryan Leland said that due to the COVID situation the Rodney Street project was delayed as it was difficult to hold public meetings. He will present an update at the May 13th Administrative meeting. He asked for direction from the Commission on the design, which is about 90% completed— particularly on some curb extensions (bulb-outs). The project will then go out to bid – depending on how many changes are needed – in June, or the Commission can decide if they want to wait to bid it this year. If they do bid it in June and award it in July or August, the project won't get done this year. They need to decide if they want to do half the project now and shut down for winter or just put it off until spring of next year.

Commissioner O'Loughlin said that the Front Street streetscape project that was carried over from FY19 looks like it's going over budget. She asked for a summary of the increased costs. Mr. Leland explained that the increased cost was due to the raised intersection, which required thicker concrete due to MDT mandates.

Commissioner Haladay said that regarding FY19 and FY 20 budgets for capital projects, a member of the public looking at them sees current capital projects but not necessarily what he calls "carry-over" projects that the Commission sees on their spreadsheets. He pointed to projects approved in June of 2018 for FY19 that were not done in FY19 or FY20 and noted that looking at them from an outside perspective might be confusing. He asked for an explanation of the carry-over situation, and what they're doing internally to handle those projects so that everyone knows that the debt outlay that was planned for them is being passed forward into a future fiscal year when that project will then be addressed. Mr. Couey

said that typically the way the carry-over process works is they would budget for a project and adopt the budget in June for the upcoming fiscal year. If a project is delayed or not fully completed before the end of the fiscal year, then typically the remaining amount would not be budgeted again in the following fiscal year, so you wouldn't see it in the capital schedules. It would basically be done after the fact through authority given to the City Manager via the budget resolution each year. Any projects or purchases budgeted in a fiscal year can be carried forward after the fact of the current budget adoption. He said that he is in favor of limiting how many carry-overs the City does and would prefer to see them re-budgeted if possible. The drawback is that it's hard to incorporate that in the budget process because they don't always know exactly how much they're going to need to carry over because the City fiscal year cuts the construction season in half. They don't want to under- or over-estimate. It's a tough balancing act, but he would like to limit carry-overs and re-budget what they need to going forward. Commissioner Haladay thanked Mr. Couey for the explanation and said that even the way the preliminary budget is laid out – because of the two-year look – it's helpful that people can look back at the FY20 projects as well. The public perception is that projects scheduled need to be done right away, without knowing that there is some departmental discretion on if the project is ready and when to start. He would like people to be able to see which projects were budgeted but haven't been done yet. Mr. Couey said they can do some type of addendum or updated notice if they can't reincorporate them into next year's fiscal year budget by re-budgeting them. He favors showing carry-overs, especially for larger projects. Commissioner Haladay said that the City used to maintain a capital projects page that included a lot of the bigger projects going on and spelled out the progress of projects and how much has been spent. Mr. Couey said they can work to do that.

Commissioner Dean asked about gas taxes 240 and 241, which are listed as FY21 Commission priorities. Mr. Couey explained that the two different gas tax funds are budgeted for whatever the Commission deems necessary on a year-by-year basis. Commissioner Dean asked Mr. Hauck if the Commission normally had those in place? Mr. Hauck said it is ultimately a way to have the budget authority to do whatever the Commission eventually decides they need. If the Commission determines their priorities in advance a specific project could be listed; if they can't make a decision, then it becomes a general listing. Prior to the enactment of the Street Improvements Fund, money allowing for the Commission to debt service street improvements came out of the street maintenance fund rather than just maintenance (the statute distinguishes between them). The gas tax is often a back-filler that allows more flexibility to make decisions or change course during projects as needs arise. The Commission can have money set aside for flexibility and a safety cushion. Commissioner O'Loughlin asked if they must account separately for the two different allocations of the gas tax, and if one of those is the additional money that came with the passing of an increased gas tax? Mr. Knoepke confirmed the origin of the separate funds and said they have to specify annually how the 241 funds will be used.

- 7. Committee Discussion-** Commissioner O'Loughlin apologized for missing her opportunity at the beginning of the meeting for Commission comments. She said the Executive Director of YWCA-Helena reached out asking for a letter of support for an application they are putting in to the Board of Crime Control for federal funding to expand one of their programs. They provide treatment services for women in their shelter. They're expanding

the program to provide wrap-around services for the children of these women. If the Commission agrees she will work with the Commission Clerk to write a draft this evening, along with Commissioner Dean's inputs. She said the matter is also being considered by the County Commission. There were no objections from the other Commissioners and the Mayor directed Commissioner O'Loughlin and Ms. Clayborn to proceed.

8. Review of Agenda for Next Commission Meeting- none.

9. Public Comment-

Riley Tubbs (Ten Mile Creek Brewery, Owner) asked the Commission to encourage business in downtown consider allowing the further opening up of downtown. Commissioner Dean said Mr. Tubbs contacted her today. Some of the downtown businesses are discussing looking for City support for open containers on the Walking Mall so they can push more business outside for social distancing. She would favor it as well as using parking spaces to facilitate outdoor dining.

Micky Zurcher stated, she was on that call too. There have been conversations between business owners and BID and the subcommittee of the COAD of Economic Relief and Recovery working group to reconsider open containers in certain public spaces, specifically the Pedestrian Mall, the Great Northern Town Center amphitheater, and sidewalks adjacent to food and beverage businesses. Enhanced capacity during the summer season is fundamental to increased revenue.

Mayor Collins said he thinks it's a great idea as people can't maintain social distances inside. He cautioned that they also must be mindful of traffic and take steps not to impede on others. Commissioner Dean said that a lot of municipalities do allow bars and breweries to take up parking spaces for outdoor seating, so there are a lot of models around the country on how to do it safely. Commissioner O'Loughlin said she sent an email to Drenda Niemann, Director of the County Public Health Dept. and she supports ways to help businesses safely reopen. She said the focus is on the public health component, so they need to take direction from Ms. Niemann and the County. She would like to see Ms. Zurcher and others work directly with the County, and she supports having staff look into this. Commissioner Dean said the COAD working group, BID, and MNA (Montana Nonprofit Assn.) are working together and gathering resources. Ms. Niemann knows what they've been working on and has asked them for a recommendation. She asked for Ms. Zurcher's thoughts. Ms. Zurcher said she has reached out to Ms. Niemann with a reopen model they borrowed from an Alaska community. Ms. Niemann will have her team look at it and provide recommendations. She will touch base with her about moving forward.

Commissioner O'Loughlin said that City Community Services Director Sharon Haugen is in the process of putting together a meeting of the TIF Advisory Board that was created with the Downtown Urban Renewal District. They can rely on BID and Downtown Helena for recommendations. They have a lot of opportunity with TIF funds and it would be nice to get that body start looking at ideas over the next several months and how the City can be most helpful. They need to start thinking about this more holistically as it will be a topic throughout the summer.

City Attorney Jodoin explained that open containers are prohibited in city streets, sidewalks and parks. There are two ways to get around this: businesses can obtain an open container permit from the Helena Police Department if they can show and define an area and only allow their patrons to have open alcohol in those defined areas. This is also required by the State. Contemplating open containers throughout the Walking Mall, which was proposed a couple of years ago, would need an ordinance amendment to repeal the prohibition against it. The relatively easy permit process does require insurance and liquor liability but could get businesses moving more quickly than a Walking Mall-wide open container ordinance amendment. In addition, a portion of the Walking Mall is closed due to concerns about alcohol consumption and noise attendant to the Sapphire Bar and Placer Building residents. Mayor Collins asked about the cost for permits; it requires street closure and costs \$250, along with a damage deposit and proof of liability insurance.

Commissioner Haladay said he previously was open to having open containers on the Walking Mall when the City didn't have the same circumstances as we do now. He thinks they need to have a general policy change discussion if the move will stay in place after the public health emergency is over. He asked what the City's role will be in facilitating a safe space downtown while acknowledging the concerns of people congregating during a health emergency. They need to ensure that whoever is having those discussions is using recommendations from the County Public Health Department. Expenditures can be explained as necessitated by the public health emergency, making certain all of it is tied back to science and to public health information so the City can look to recoup those costs down the road.

Riley Tubbs (Ten Mile Creek Brewery) added that open containers would allow for a safer workplace for their employees. He is asking for the County Public Health Officer to visit Main Street businesses so they can work together rather than getting caught in a health code violation. He would like to include the police to discuss safety considerations.

- 10. Commission discussion/direction to City Manager-** Parking directions previously given. The City Manager was also directed to look into putting spreadsheets on the Finance web page, and putting the open container discussion on a future agenda.

Commissioner Haladay noted that Mayor Collins will be on a call with mayors from the 7 largest cities in the state to discuss the dispersal of \$1.25B from federal funds under the stimulus package. He urged the group to be as vocal as possible about setting funds aside for local governments.

- 11. Adjournment-** The meeting adjourned at 5:47 p.m.