

ADMINISTRATIVE MEETING

February 17, 2016

4:00 p.m. to 6:00 p.m.

Room 326

AGENDA

1. **Call to order, introductions, opening comments**
2. **February 3, 2016 Administrative Meeting summary**
3. **Commission comments, questions**
 - Upcoming appointments
4. **City Manager's Report**
 - Public Water Source Safety Overview – Ryan Leland
 - ADA Transition Plan: Stakeholder Meeting Overview, John McGovern, REC
5. **Department discussions**
 - City Attorney**
 - a) Surplus Ordinance
 - **Consensus Direction to Manager:**
 - b) YWCA Loan Agreement
 - **Consensus Direction to Manager:**
 - Public Works**
 - HATS/TAC Grant Application (**materials available in commission packet for 2/22/16*)
 - **Consensus Direction to Manager:**
 - Parks & Recreation**
 - Parks Agreements (**if time permits*)
 - **Consensus Direction to Manager:**
6. **Committee discussions**
 - Audit Committee, City-County Board of Health, L&C County Mental Health Advisory Committee, Montana League of Cities & Towns
 - Mayor Jim Smith
 - Mayor Pro-Tem, Audit Committee, Helena Chamber of Commerce Liaison, Information Technology Committee, Transportation Coordinating Committee
 - Commissioner Dan Ellison
 - ADA Compliance Committee, Audit Committee, City-County Parks Board , Civic Center Board
 - Commissioner Rob Farris-Olsen
 - Board of Adjustment, City-County Administration Building (CCAB), Non-Motorized Travel Advisory Board, Transportation Coordinating Committee
 - Commissioner Andres Haladay
 - Business Improvement District/Helena Parking Commission ,Montana Business Assistance Connection, Public Art Committee
 - Commissioner Ed Noonan
 - Helena Citizens Council
7. **Review of agenda for February 22, 2016 Commission meeting**
8. **Public comment**
9. **Commission discussion and direction to City Manager**
10. **Adjourn**

City of Helena, Montana

ADA NOTICE

The City of Helena is committed to providing access to persons with disabilities for its meetings, in compliance with Title II of the Americans with Disabilities Act and the Montana Human Rights Act. The City will not exclude persons with disabilities from participation at its meetings or otherwise deny them the City's services, programs, or activities.

Persons with disabilities requiring accommodations to participate in the City's meetings, services, programs, or activities should contact the City's ADA Coordinator, Elroy Golemon, as soon as possible to allow sufficient time to arrange for the requested accommodation, at any of the following:

(406) 447- 8490

TTY Relay Service 1-800-253-4091 or 711

citycommunitydevelopment@helenamt.gov

316 North Park, Avenue, Room 440, Helena, MT 59623

City of Helena, Montana

Date: February 11, 2016
To: Ron Alles, City Manager
From: Glenn Jorgenson, Administrative Services Director
Subject: Surplus Personal Property Ordinance Change



Staff is recommending changing our surplus personal property ordinance to allow the City Manager to determine the method of disposing of personal property with an original value of less than \$5,000 (capital asset minimum). Currently the Commission is supposed to approve disposal of any personal property. The goal is to simplify the process for departments needing to dispose of non-capital items with little or no value. The proposed changes are shown in the attached draft ordinance.

Historically we have disposed of most capital assets by trading them in for new equipment or disposing of them at the State auction. The City has used other processes for small equipment such as garage sales at the City shop, on-line auctions, and disposal if there is no value. The garage sales and on-line auctions have not functioned well and have been discontinued.

The main change will be to first attempt to recover any value the City can using trade-in or resale. If there is no market the City Manager would then have the ability to donate the property to another government or non-profit organization. If the items are considered to have no value and we can find no one that wants them the City Manager can authorize disposal at the landfill.

Staff believes the proposed changes will simplify the process while maintaining good internal controls over City owned personal property.

City of Helena, Montana

ORDINANCES OF THE CITY OF HELENA, MONTANA

ORDINANCE NO. _____

AN ORDINANCE AMENDING SECTION 1-4-18 OF THE
HELENA CITY CODE TO PROVIDE FOR CITY MANAGER DISPOSITION OF
SURPLUS PERSONAL PROPERTY WORTH LESS THAN \$5,000

BE IT ORDAINED BY THE COMMISSION OF THE CITY OF HELENA,
MONTANA:

That Section 1-4-18 of the Helena City Code is hereby amended
by adding the following:

- A. "Surplus personal property" is any tangible personal property owned by the city that is not needed at present or in the foreseeable future or that is no longer of value or use to the city.

- B. Prior to sale or disposal of personal property with an original value equal to or greater than \$5,000, the city commission shall, by resolution, declare the property to be surplus to the needs of the city and eligible for disposition. The surplus designation must be done in a manner that is in the city's best interest and pursuant to, but not limited to:
 - 1. Possible future requirements of the city;
 - 2. Present value of the property;
 - 3. Likelihood of locating a buyer;
 - 4. Intergovernmental cooperation; and

ORDINANCES OF THE CITY OF HELENA, MONTANA

Ord. _____

5. The general welfare of the citizens of the city.

E. For disposition of personal property with an original value equal to or greater than \$5,000 the city commission shall, by resolution direct the city manager as to the authorized methods of disposition. If the city manager is unable to dispose of the personal property by one of the methods specified by resolution, the city manager shall notify the city commission and recommend further action. The city commission will then direct disposition of the surplus property by amendment of the authorizing resolution.

GD. Personal property with an original value of less than \$5,000 may be eligible for disposition by the city manager using the following methods without approval by the city commission. The city manager may authorize disposal of surplus property with an original value of less than \$5,000 only by one of the approved methods listed below:

1. Competitive sale to a responsible purchaser after providing public notice and public opportunity for the purchase of the property, including public auction, solicitation of written bids, and negotiated sale to one or more designated buyers.

ORDINANCES OF THE CITY OF HELENA, MONTANA

Ord. _____

2. Trade in on new supplies or equipment at such value as will result in the lowest net price.
3. Transfer to another government agency at or below market value.
4. Transfer to a 501(c)3) tax exempt nonprofit organization.
5. Proper disposal in a landfill of personal property with no value.

~~D. For other personal property disposition, including transfers for less than market value, the city manager may request city commission authorization to dispose of the surplus property in another manner.~~

~~E. If the city manager is unable to dispose of the personal property by one of the methods specified herein, the city manager shall notify the city commission and recommend further action. The city commission will then direct disposition of the surplus property.~~

E. Disposition by the city manager of personal property with an original value of less than \$5,000 other than the methods listed above must be approved by the city commission by resolution. (Ord. 2909, 6-4-2001; amd. Ord. _____, __-__-2016)

ORDINANCES OF THE CITY OF HELENA, MONTANA

Ord. _____

FIRST PASSED BY THE COMMISSION OF THE CITY OF HELENA, MONTANA,
THIS _____ DAY OF _____, 2016.

ATTEST: _____
MAYOR

CLERK OF THE COMMISSION

FINALLY PASSED BY THE COMMISSION OF THE CITY OF HELENA,
MONTANA, THIS _____ DAY OF _____, 2016.

MAYOR

ATTEST:

CLERK OF THE COMMISSION

February 12, 2016

TO: Ron Alles, City Manager

FROM: Thomas Jodoin, City Attorney
Glenn Jorgenson, Administrative Services Director
Sharon Haugen, Community Development Director

Subject: YWCA mortgage/Historic Tax Credit closing

The YWCA of Helena has recently completed renovation of their 100+ year old building at 501 N. Park Avenue. This \$2.4 million project provided ADA accessibility including the installation of an elevator, upgrades to electrical and plumbing systems to meet code, and general remodeling to accommodate clients of the YWCA with safe, clean, and secure surroundings. 26 resident rooms are now available to serve homeless women and their children. A newly remodeled administrative area better serves the WINGS program to provide counseling and social services with an objective to bring independence through permanent housing and jobs to the clients served. A bright and upgraded shared kitchen area makes the facility feel much more like a home environment.

In 2008 the city commission authorized the loan of \$25,000 of CDBG program income funds to the YWCA. The purpose of the loan was to assist in paying for a boiler in their facility. The terms of the promissory note call for full payment of the \$25,000 loan at the end of the 20-year term (December 19, 2028). A copy of the promissory note and mortgage are attached.

In order to achieve the goals set for this rehabilitation, the YWCA spent a number of years acquiring grants and community support to be able to afford this costly rehabilitation. Grants received, sponsored by Lewis and Clark County were a CDBG Public Facilities Grant, a CDBG Housing Grant, and a HOME program grant. The Treacy Foundation was instrumental in providing contributions to the project as were many other local businesses and individuals. Extensive fundraising by YWCA personnel and board members has been undertaken to meet the shortfall of funding. Additionally, the YWCA entered into an agreement with a Historic Tax Credit Investor who will contribute to the project in exchange for State of Montana and Federal Historic Tax Credits and other benefits.

The basic structure of historic tax credits involves a partnership between the owner of the structure and an investor. The investor contributes to the certified rehabilitation of the historic structure. In exchange for that funding, the investor obtains a legal property interest (a 5 year lease) and the right to the historic tax credits. No management of operational duties are taken from the existing YWCA operations. It is the process of securing those Historic Tax Credits that has led to the close examination of the title of the YWCA. In order to satisfy the requirements of the final agreement with the investor, he is asking that his interest in the transaction not be encumbered by debt. Fortunately, the City of Helena is the only debt currently on the title. Several scenarios have been suggested to eliminate the effect of that encumbrance on the investor's interest in the transaction. With final costs of the rehabilitation project looming, it is critical that the YWCA be able to tap into the Historic Tax Credit funding but the investor will not release funds until this matter is cleared up.

City of Helena, Montana

The YWCA would like to be able to close their Tax Credit deal in March. At this juncture the city's mortgage for the boiler loan is an impediment to closing on the historic tax credit investment structure. While the preferred approach, from the YWCA's perspective is for the City to forgive the remaining balance of the loan (\$25,000), the following are two other scenarios that have been suggested by the investor as satisfactory alternatives to resolving this issue in order to proceed with closing:

1. The City subordinate its loan to the new lease.
2. City enters into a nondisturbance agreement whereby the City agrees not to terminate the new YWCA-investor lease in the event of default by the YWCA.

City staff would like consensus guidance from the commission as to how it would like to proceed in this matter.

12/29/08 - took original to Robyn, sent copy to YWCA @ P.O. Box 518
41/line 59624

MORTGAGE

THIS MORTGAGE is made and given this 19th day of December, 2008, by the YOUNG WOMEN'S CHRISTIAN ASSOCIATION, 501 North Park Avenue, Helena, Montana 59601, the Mortgagor, to the CITY OF HELENA, MONTANA, 316 North Park Avenue, Helena, Montana 59623, a municipal corporation, the Mortgagee.

WITNESSETH:

Pursuant to that Promissory Note dated December 19, 2008, Mortgagee has agreed to loan Mortgagor Twenty-Five Thousand Dollars (\$25,000.00) with interest thereon at the rate of zero percent (0%) per annum.

Mortgagor, for and in consideration of the receipt Twenty-Five Thousand Dollars (\$25,000.00) in hand paid by Mortgagee to Mortgagor, the receipt and sufficiency whereof being hereby acknowledged, does hereby mortgage and confirm unto the Mortgagee and its successors and assigns forever the hereinafter described real estate, situate, lying, and being in Helena, Lewis and Clark County, Montana, and more particularly described as follows:

Beginning at a point where the North Boundary of Placer Avenue cuts the East boundary of Park Avenue, thence running North 88 deg. 38 min. East, or upon the North line of Placer Avenue, 163 feet, or to the East line of said lot fifteen (15) of said Thompson Placer; thence North 0 deg. 10 min. West, or along said East line of said Lot 15, 59 feet, thence South 87 deg. 30 min. West 165 feet, or to an intersection with the East line of Park Avenue; thence Southerly along the East line of Park Avenue 58 feet to the place of beginning, as described in that deed recorded in Deed Record No. 86, pages 599-602, in the office of the Clerk and Recorder of Lewis and Clark County, Montana; and

A strip of land twelve (12) feet in width off the south side of that certain tract or parcel of land known as Lot No. 12 in the Henry Thompson Placer mining claim in the City of Helena County of Lewis and Clark and State of Montana, being a portion of Mineral Entry No. Twenty-seven (27), said Mineral Entry embracing the northwest quarter of the southwest quarter (NW¼SW¼) of section thirty (30), township ten (10) north, Range three (3) West of the Montana Principal Meridian; reserving, however, a right of way for an alley over the east ten (10) feet of the tract of land hereby conveyed, as described in that deed recorded in Deed Record No. 91, pages 320-321, in the office of the Clerk and Recorder of Lewis and Clark County, Montana.

Together with all and singular the tenements, hereditaments, appurtenances, easements, water, and all other rights belonging or in anywise appertaining thereto, unto the said Mortgagee, its successors and assigns.

The Mortgagor represents to and covenants with the Mortgagee and its successors and assigns that it will warrant and defend the premises against the lawful claims of all persons whomsoever, and the Mortgagor hereby relinquishes all right of dower and all right of homestead, accruing or to accrue, in and to all of said premises, and the Mortgagor hereby covenants with the Mortgagee that it is lawfully "seized" and in possession of said premises and the same are free from all encumbrances. The Mortgagor further represent that the premises are insured against loss.

Attachment
PROMISSORY NOTE

December 19th, 2008

FOR VALUE RECEIVED, the undersigned, YOUNG WOMEN'S CHRISTIAN ASSOCIATION, 501 North Park Avenue, Helena, Montana 59601, hereinafter referred to as "YWCA," promises to pay to the CITY OF HELENA, MONTANA, 316 North Park Avenue, Helena, Montana 59623, a municipal corporation, hereinafter referred to as "City," the sum of Twenty-Five Thousand Dollars (\$25,000) as follows:

The principal sum of \$25,000.00, with interest thereon at the rate of zero percent (0%) per annum, from and after the date of this note, shall be due in full at the end of a 20-year term or if the property is sold, whichever occurs first. The undersigned may prepay any or all of the obligation evidenced by this note at any time and without penalty.

This loan is subject to the following conditions:

1. The loan is to be used exclusively to pay for a new boiler at YWCA's facility.
2. A portion of the property must be used for the public purpose of providing low-income transitional housing defined as 80% of the median family income for Lewis and Clark County for the applicable family size as defined by the State of Montana Community Development Block Grant program.
3. The YWCA may discriminate only on reasonable grounds in considering applicants for transitional housing in accordance with §49-2-304, MCA.
4. The YWCA must annually budget for facility maintenance and sinking fund for replacement of capital items, and provide a copy of its annual budget to the City of Helena Department of Community Development for review.
5. The books and records of the YWCA are open the City of Helena Department of Community Development for review.
6. The YWCA shall provide an annual report to Helena City Commission that includes audited financial statements.

The principal sum is secured by a mortgage upon the following property:

That parcel of land in the Thompson Placer mining claim in Helena, Montana, described in those deeds recorded in Deed Record No. 86, pages 599-602, in the office of the Clerk and Recorder of Lewis and Clark County, Montana, dated December 22, 1917 and October 19, 1918; and



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