

## ADMINISTRATIVE MEETING

June 1, 2016

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

Room 326

### AGENDA

1. **Call to order, introductions, opening comments**
2. **May 18, 2016 Administrative Meeting summary**
3. **Commission comments, questions**
  - Upcoming appointments
4. **City Manager's Report**
  - Central School (Darby Bramble)
5. **Department discussions**
  - Administrative Services**
    - Certificates of Participation Advance Refunding Resolution
    - **Consensus Direction to Manager:**
  - Public Works**
    - a) Tenmile Water Line/Rimini Road Update
      - **Consensus Direction to Manager:**
    - b) Boulder Avenue East of Interstate Discussion
      - **Consensus Direction to Manager:**
6. **Committee discussions**
  - a) Audit Committee, City-County Board of Health, L&C County Mental Health Advisory Committee, Montana League of Cities & Towns
    - Mayor Jim Smith
  - b) Mayor Pro-Tem, Audit Committee, Helena Chamber of Commerce Liaison, Information Technology Committee, Transportation Coordinating Committee
    - Commissioner Dan Ellison
  - c) ADA Compliance Committee, Audit Committee, City-County Parks Board , Civic Center Board
    - Commissioner Rob Farris-Olsen
  - d) Board of Adjustment, City-County Administration Building (CCAB), Non-Motorized Travel Advisory Board, Transportation Coordinating Committee
    - Commissioner Andres Haladay
  - e) Business Improvement District/Helena Parking Commission ,Montana Business Assistance Connection, Public Art Committee
    - Commissioner Ed Noonan
  - f) Helena Citizens Council
7. **Review of agenda for June 6, 2016 Commission meeting**
8. **Public comment**
9. **Commission discussion and direction to City Manager**
10. **Adjourn**

*City of Helena, Montana*

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## **ADA NOTICE**

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(406) 447- 8490

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

[citycommunitydevelopment@helenamt.gov](mailto:citycommunitydevelopment@helenamt.gov)

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

*City of Helena, Montana*

**Date**      **May 25, 2016**

**TO:**        **Ron Alles, City Manager**

**FROM:**    **Glenn Jorgenson, Administrative Services Director**



**Subject:** Certificates of Participation Advance Refunding Resolution

The City is in the process of refunding the 2009 Certificates of Participation that financed the 15<sup>th</sup> Street Parking Garage. Staff will present a resolution to the Commission on June 6<sup>th</sup> that will authorize the Mayor, City Manager, and the Administrative Services Director (the Pricing Committee) to issue the preliminary official statement, approve the sale of the new bonds and sign the related documents. This is referred to as the second amendment to the lease purchase agreement with US Bank.

The resolution is referred to as a “parameters” resolution as it will allow the Pricing Committee to approve the sale based on certain parameters. Those are:

- The principal amount may not be more than \$8,600,000,
- The True Interest Cost (TIC) interest rate may not exceed 3.5% which provides a minimum Net Present Value savings of \$750,000, and
- The final maturity date shall not be later than March 1, 2039.

The latest savings estimate is attached showing we would save approximately \$100,000 per year in interest with a net present value savings of \$1,129,552 using current interest rates. The savings will change as interest rates are changing daily and have recently been increasing due to a stronger economy. Staff wants to bring the COP’s to the market as soon as possible to get the greatest savings.

Attachments:

1.      Current Savings Estimate
2.      Rate Summary
3.      Interest Rate History – Prior Year

*City of Helena, Montana*

SAVINGS

City of Helena, Montana  
Refunding COPs

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Preliminary rates as of May 23, 2016  
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Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/13/2016 @ 2.6889430%
03/01/2017	400,546.88	335,761.67	64,785.21	65,455.61
03/01/2018	593,918.76	496,350.00	97,568.76	96,965.43
03/01/2019	595,518.76	495,950.00	99,568.76	96,261.53
03/01/2020	596,718.76	495,450.00	101,268.76	95,251.65
03/01/2021	592,518.76	494,850.00	97,668.76	89,522.00
03/01/2022	592,825.00	494,150.00	98,675.00	88,006.00
03/01/2023	597,290.00	500,450.00	96,840.00	84,155.49
03/01/2024	595,590.00	496,300.00	99,290.00	83,915.08
03/01/2025	593,102.50	492,000.00	101,102.50	83,116.46
03/01/2026	594,102.50	497,550.00	96,552.50	77,387.52
03/01/2027	594,352.50	492,650.00	101,702.50	79,200.48
03/01/2028	593,852.50	492,600.00	101,252.50	76,754.38
03/01/2029	592,602.50	492,250.00	100,352.50	74,056.52
03/01/2030	595,602.50	496,600.00	99,002.50	71,145.96
03/01/2031	597,062.50	495,500.00	101,562.50	70,972.76
03/01/2032	592,492.50	494,100.00	98,392.50	66,964.26
03/01/2033	597,150.00	497,400.00	99,750.00	66,045.52
03/01/2034	595,520.00	495,250.00	100,270.00	64,584.72
03/01/2035	592,860.00	492,800.00	100,060.00	62,705.46
03/01/2036	593,940.00	495,050.00	98,890.00	60,318.21
03/01/2037	593,720.00	496,850.00	96,870.00	57,516.72
03/01/2038	592,200.00	493,200.00	99,000.00	57,143.14
03/01/2039	594,380.00	489,250.00	105,130.00	58,939.92
	13,477,866.92	11,222,311.67	2,255,555.25	1,726,384.82

Savings Summary

PV of savings from cash flow	1,726,384.82
Less: Prior funds on hand	-597,290.00
Plus: Refunding funds on hand	457.37
Net PV Savings	1,129,552.19

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SUMMARY OF REFUNDING RESULTS

City of Helena, Montana  
Refunding COPs

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Preliminary rates as of May 23, 2016  
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Dated Date	07/13/2016
Delivery Date	07/13/2016
Arbitrage yield	2.688943%
Escrow yield	0.947465%
Value of Negative Arbitrage	337,861.13
Bond Par Amount	8,105,000.00
True Interest Cost	2.796328%
Net Interest Cost	2.835110%
All-In TIC	2.914295%
Average Coupon	2.965531%
Average Life	12.970
Par amount of refunded bonds	7,975,000.00
Average coupon of refunded bonds	5.092056%
Average life of refunded bonds	13.519
PV of prior debt to 07/13/2016 @ 2.688943%	10,061,044.96
Net PV Savings	1,129,552.19
Percentage savings of refunded bonds	14.163664%
Percentage savings of refunding bonds	13.936486%

**May 26, 2016**

**TO: Ron Alles, City Manager**

**FROM: Ryan Leland, City Engineer  
Randal Camp, Public Works Director**

**Subject:** Update on the Rimini Road Project and the City's raw water main

City Staff will give the Commission an update of the Rimini Road Project and the condition of the City's raw water main. FHWA has said that they will not fund any part of the water main project and only fix the parts of the water main that they damage.

*City of Helena, Montana*



City of Helena

**Jamie Clark, P.E. City Engineering**  
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**April 26, 2016**

Mr. Richard J. Barrows  
Western Federal Lands Highway Division  
610 East Fifth Street  
Vancouver, WA 98661-3801

**RE: FHWA Project #MT PFH-98-1 – Rimini Road Reconstruction Project Letter of Concern and Opportunity**

Dear Mr. Barrows:

This letter has been written to express concerns the City of Helena, Montana has regarding FHWA Project #MT PFH 98-1. Construction activity on the project over the last construction season has significantly damaged the City of Helena's existing 18" diameter concrete raw water supply line into the Ten Mile Water Treatment Plant (TMWTP). The 18" main is located within and adjacent to the above referenced project area. The City has used this water line to supply the water treatment plant for nearly 90 years without incident. Recent camera inspections of the pipeline reveal that the line has been damaged or compromised for nearly the entirety of the pipeline sections that lie within the MT PFH-98-1 project area. The City of Helena and Lewis and Clark County spent significant time, expense and effort to survey and locate the line prior to construction, yet construction activity has significantly damaged the pipe line. The City of Helena also believes that there is ample opportunity for the FHWA project to properly address and correct these damages prior to completion of said project.

The City of Helena, Robert Peccia and Associates (RPA), and the Western Federal Lands Highway Division (WFLHD) all worked in concert prior to the project to accurately locate and survey the 18" diameter raw water main feeding TMWTP that lies within and adjacent to the FHWA project area. TMWTP is the primary source for the City of Helena's potable water distribution system, and supplies potable water to the City's 30,000 residents. A brief history of the due diligence by both the City of Helena and Lewis & Clark County to locate and survey the raw water line serving TMWTP prior to construction is given below.

**September 2004** – RPA Contracted by WFLHD to survey and locate the Raw Water Main in Rimini Road

**June 2005** – RPA Contracted by WFLHD to assist with project design

**May 2012** – RPA Contracted by Lewis and Clark County in cooperation with the City of Helena and WFLHD to survey water main and assist with specific water main design elements in possible conflict with the project.

**May 2014** – RPA Contracted by the City of Helena to provide project staking of the water line locations during construction to avoid possible conflicts.

**May 2015** – City of Helena Contracted RPA to tie X and Y coordinates tied to the FHWA coordinate system for ongoing locate purposes was given to the road Contractor at the City's Cost.

Despite the City and County's best efforts to locate and identify the existing 18" diameter raw water main, significant damage to the line has occurred due to construction activities over the construction season of 2015.

City of Helena Utility Maintenance Staff inspected the 18" TMWTP raw water main in March of 2016 and found serious damage to the water main in the majority of project areas. Areas outside of the FHWA project limits did not appear to sustain such damage. When compared to pre-project pipeline inspection video, it was found that the 18" TMWTP raw water main was seriously compromised in numerous locations within the project limits. The damaged sections of the existing 18" diameter raw water main serving TMWTP and the Citizens of Helena are as follows:

**City Manhole MH-27 to MH-28** (Project Sta.~78+13 to 93+10) – Multiple longitudinal and transverse cracks in pipe

**City Manhole MH-23 to MH-22** (Project Sta.~133+20 to 145+58) – Multiple longitude and transverse cracks, insufficient large hole spot repair by Contractor, chunks of top concrete in pipe impeding camera's full survey remain in pipe upstream and downstream from spot repair.

**City Manhole MH-22 to MH-21** (Project Sta.~145+58 to 162+30) - Multiple longitude and transverse cracks, eggshell cracks, multiple insufficient small hole spot repairs by Contractor

**City Manhole MH-21 to MH-20** (Project Sta.~162+30 to 175+00) - Multiple longitude and transverse cracks, multiple PVC repairs/replacements by Contractor, top half of pipe broken and replaced with PVC by contractor, multiple chunks of concrete from breaks present in line and impede further inspection by camera

**City Manhole MH-11 to MH-10** (Project Sta.~276+00 to 288+56) - Multiple longitude and transverse cracks, pipe breaks/holes, and at least 1 visible rock punched through main.

**City Manhole MH-10 to MH-9** (Project Sta.~288+56 to 299+69) - Multiple longitude and transverse cracks, pipe breaks/holes (some repaired by Contractor), multiple eggshell cracks on upper half of pipe, chunks .

**City Manhole MH-9 to MH-8** (Project Sta.~299+69 to 288+56) - Multiple longitude and transverse cracks, eggshell cracking.

At the present time, the City of Helena believes that the above seven sections of pipe will require significant repair or replacement in the near future due to damages sustained during the construction season of 2015. Of the approximately 29 pipe sections from manhole to manhole in the project area, about 20 sections lie within the project work area, of these pipe sections at least 7 sections will require major repairs or replacement at the present time. The City of Helena believes that the entire pipeline within the project limits is likely to be compromised by construction activities by the time the road project is complete. The City of Helena believes the damage sustained to the pipe is a direct result of the construction activities on Rimini Road. Furthermore, the City also believes that the upcoming summer of 2016's construction activities will further impact the existing 18" concrete TMWTP raw water main.

Fixing the existing damage to the TMWTP raw water line will be constrained by the City's budgetary, manpower and time constraints. It is believed that if the pipe's condition remains as it is, the City will perform spot repairs to the pipe as needed, and using city staff and equipment available at TMWTP and within the Utility Maintenance department. These repairs would be ongoing and done as needed to keep the water flowing to the plant. It is the City of Helena's belief that ongoing spot repairs, although a necessity to keep the Citizens of Helena with potable water service, will have a significant negative impact on the newly constructed roadway. Budgetary and manpower constraints at the time of writing this letter would preclude the City from replacing the pipeline in a timely manner, and the spot repairs would proceed for approximately 10-20 years until funding could be secured to replace the existing 18" TMWTP raw water line in its entirety. The ongoing repairs and leakage from the compromised pipeline are almost certain to cause negative impacts to the new roadbed. The reality of the situation is that the City of Helena does not have funds to replace the pipe at the present time, with an annual capital water budget of approximately 1.3 million dollars for the entire system. Coincidentally, the proposed replacement by the Contractor on site (Debco) is estimated to cost approximately 1.3 million dollars.

The City of Helena strongly believes that the existing 18" concrete raw water main to Ten Mile Water Treatment Plant is a lifeline for the entire community. It is an integral piece of the drinking water infrastructure that keeps the City functioning as it has for over 150 years. The City believes the current situation presents FHWA/WFLHD with a unique opportunity to repair the damage to the TMWTP raw water line caused by the construction of FHWA Project #MT PFH 98-1 – Rimini Road Reconstruction. The existing contractor – Debco of Orofino, ID has proposed replacing and upgrading the water main within the aforementioned Project's limits and the City of Helena Public Works Department strongly urges the WFLHD to accept the proposal and return the existing 18" raw water main back to a fully functioning pipeline to serve the City's Ten Mile Water Treatment plant, as it did prior to Project construction. The Citizens of Helena and the City Public Works Department Thank you for your time and consideration on this matter. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

Jamie Clark, P.E.  
City Engineering

Encl:





**April 29, 2016**

**TO: Ron Alles, City Manager**

**FROM: Ryan Leland, City Engineer  
Randal Camp, Public Works Director**

**Subject:** Boulder Avenue Legal Action

City Staff will be at the meeting to give the commission an update on the legal action for Boulder Ave where it crosses private land behind Wal-Mart. The action is being brought forward by the Owner of the property Kermit Mueller. The legal action claims that the road and storm water are damaging his property.

*City of Helena, Montana*



CITY LIMIT

BOULDER AVE



APPROX  
0.425 AC

APPROX 1.66 AC



