

SUMMARY OF ADMINISTRATIVE MEETING
February 3, 2016– 4:00 p.m.
Room 326, City-County Building

1. Call to order, introductions, opening comments – Mayor Smith called the meeting to order. Commissioners Ellison, Farris-Olsen, Haladay and Noonan were present. Staff present was: City Manager Alles, Executive Assistant Sarah Elkins; Community Development Director Sharon Haugen; City Attorney Thomas Jodoin; Assistant City Attorney Iryna O'Connor; Police Chief Troy McGee; Fire Chief Mark Emert; Public Works Director Randall Camp; Assistant Public Works Director Phil Hauck; HATS Supervisor Steve Larson; Parks & Recreation Director Amy Teegarden; Administrative Services Director Glenn Jorgenson; Human Resources Director James Fehr; Zoning Officer and ADA Coordinator Elroy Golemon; Budget Manager Robert Ricker; HCC Coordinator Judy Garrity and City Clerk Debbie Havens.

Others in attendance included: IR Reporter Al Knauber, HATAC members Deborah Swingley, Jaymie Sheldahl; Charlie Briggs; Doreen Filson; HCC Representative Gary Spaeth; Zoning Commission member Rebecca Harbage.

2. January 20, 2016 Meeting Summary – The January 20, 2016 administrative meeting summary was approved as submitted.

Commissioner Noonan clarified at the January 20th administrative meeting he had stated he did not believe a non-profit would be able to offer para-transit service; however, he wants to clarify his statement that if there is a non-profit that could provide para-transit service, the commission should leave the door open for consideration.

3. Commission comments, questions –

Board Appointments – Mayor Smith recommended the following appointment:

Public Art Committee	Appointment of Chip Clawson to the Public Art Committee. The unexpired term will begin upon appointment and expire December 31, 2017.
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Commissioner Farris-Olsen stated on Mr. Clawson's application he noted that he would not apply for public commissions from the HPAC while on the committee or for at least one year after he leaves the committee. He then asked if there is anything that would prohibit Chip Clawson from applying for commissions from while serving on the Public Art Committee. Attorney Jodoin stated he believes there may be a conflict of interest if a member of the Public Art Committee would apply for a commission from the city.

Commissioner Ellison reported he attended the Chamber of Commerce banquet on February 2nd and noted Governor Bullock was the keynote speaker and had several complimentary remarks on the city of Helena in his speech.

4. City Manager's Report –

Manager Alles introduced Planner Ellie Ray, who began her employment with the city of Helena the beginning of February. Director Haugen also commented on the qualifications Ms. Ray brings with her.

Manager Alles reported Commissioner Haladay has asked to discuss an email the commission received from a resident regarding parking concerns on Jackson and 14th.

Manager Alles reported staff has made contact with the owner of 360 Office, via email, regarding them parking in the vacant lot they own. Manager Alles also clarified even though the resident indicated she had submitted a "Residential Only" parking request in November 2015, staff received it just this week. Staff will continue to monitor the parking lot and keep the commission updated.

Staff is looking at the new parking regulations; however, has not had time to formulate a recommendation.

Commissioner Haladay stated he wanted to receive an update on the failed CUP and to assure staff is following up on the complaint. Director Haugen noted she gave the owner of Office 360 a March 1st deadline to respond to her questions.

Ms. Doreen Filson, 811 N. Jackson, stated there were two CUP's that were denied due to the lack of a plan, both in 2006 and 2008. She noted some of the residents had given their checks to another property owner for the residential parking permit request; however, it was not turned in until this week.

Manager Alles noted he has not read through the residential parking application; however, the application will be brought forward for commission consideration.

Commissioner Ellison thanked Ms. Filson for attending the meeting today.

5. Department Discussions:

Administrative Services

Mid-Year Review – Budget Manager Ricker gave the following update:

Budget Review Process:

The City's budget components are continuously reviewed throughout the year. Each department is responsible for managing and monitoring their own budget to ensure adherence to the legally adopted budget. In addition to these departmental reviews, the Budget Office periodically reviews major budget areas throughout the year and contacts departments whenever potential concerns are found. Appropriate actions, usually a budget amendment or an accounting adjusting entry, are initiated whenever necessary.

Mid-Year Review:

A comprehensive budget review is performed near mid-year by the Budget Office. This budget review includes analysis of the current budget status and projection of trends and expectations through the end of the fiscal year as best can be determined with available data. Departments are solicited for feedback on areas of potential concern and any other questionable areas departments may know of. Although the process cannot catch all budget management challenges, the review does provide for detection of more obvious or predictable concerns.

Findings:

Aside from the relatively minor exceptions noted below, the fiscal year 2016 mid-year review shows no major areas of concern. City operations are proceeding routinely as expected and are anticipated to stay within bottom line budget parameters. A summary of findings is as follows.

PERSONAL SERVICES: Generally, personal services expenses are on track at mid-year and are projected to remain within original budget parameters aside from the following possible exception.

Urban Wildlife: A small overrun is anticipated by year-end in the range of \$4,000 - \$7,000 depending on the number of deer culls completed. The budget has historically been established at a level to handle a small base number of deer culls. In the event more deer culls are made than can be covered in the established budget, an amendment is required to cover the additional cost. It is anticipated that the budget shortfall will be covered by savings within other Police divisions within the General Fund.

Public Works Administration: A small overrun is expected due to a \$3,000 moving expense stipend provided for the in-coming director that was not budgeted for. The department will try covering those expenses from savings in other lines. In the event savings are inadequate to cover the entire overrun, a request for General Fund contingency funds will be submitted.

Water Utility Maintenance: Payout costs of slightly more than \$23,000 plus benefits for the retirement of a long-term employee (27 years) may cause an overrun by year-end. However, the department expects that vacancy savings and/or savings in other areas of the budget will cover the payout costs.

Transfer Station: Due to payout costs from the retirement of a long-term employee (31 years), a small overrun of approximately \$5,500 may occur by year-end. Vacancy savings and/or savings in other areas of the budget are expected to cover most if not all the payout costs. The department also projects revenues will be slightly higher than budgeted which can be another source to cover the projected overrun.

Trolley Bus: A small overrun is expected when operations pick up in the spring. Savings in other lines together with additional revenues from program rentals are expected to be more than adequate to cover the additional costs.

East Valley Grant: A small overrun of less than \$4,000 is anticipated for this transit program. The expected overrun is attributed to the additional hours charged to the program by fill-in drivers when

regular drivers are sick or go on vacation. Although there are some additional hours budgeted for such situations, the amount will be insufficient to cover all those costs. Additional hours will need to be budgeted for in the future to handle these needs of the program.

M&O

In the course of any budget year some line items end up with a budget surplus while others show a budget overrun. This is normal and is the nature of the budget plan and predicting estimated costs and usage versus the actual costs and requirements to maintain operations.

There were line items found in various departments that appeared might cause budget concerns by fiscal year-end on an individual line item basis. However, in almost all cases, as confirmed with each department, the analyses have shown either no anticipated budget problem by year-end or that possible line item budget overruns would be covered with savings from other lines within department bottom line (legal) budget authority. Exceptions are as follows.

Police (911): In FY 2015, the Computer/Telecommunication Equipment line (3063) was expected at mid-year to exceed budget by year-end due to a software installation/upgrade (Mobiletrak/PMDC Replacement) for the department's mobile data terminals that are installed in the vehicles. This project was budgeted to be completed in two phases. Half were budgeted for in FY 2015 with the other half expected to be completed in FY 2016. At mid-year of FY 2015, it was then expected that both halves would be completed which would cause the line to exceed its budget by approximately \$35,000. Later that year it was determined that the project would be done as originally anticipated which allowed the line to remain within its budget for FY 2015. However, the budget for the second half of the project was not established for FY 2016. The project was completed in October 2015 which has caused the line to exceed budget. A budget amendment will be submitted to cover the costs of the second phase of the planned project.

GENERAL FUND REVENUES

General Fund revenues are looking to be on track and are anticipated to come in very close to original projections in all major areas.

OTHER FUND REVENUES

Revenues in funds other than the General Fund are looking to come in at or above projected levels assuming no significant changes in trends. The Public Works utilities funds (Streets, Water, Wastewater, Solid Waste and Transfer Station/Recycling) are all projected to meet or exceed their budgeted revenues due predominantly to budgets being set based on rates in effect at the time budgets were adopted. Rate increases later adopted for those funds in August will help to bring in revenues at a slightly higher level than budgeted for those funds.

CONTINUING REVIEWS

The Budget Office will continue to monitor department budgets throughout the remainder of the fiscal year in order to determine if projections or budget conditions have changed. Any significant changes will be discussed with the appropriate department and, where necessary, possible courses of action will be determined and conveyed to the City Manager.

Commissioner Ellison stated this is the sixth time he has received a mid-year budget review and this year's numbers are the smallest he has seen since being on the commission. City staff does a great job in monitoring the budget.

TAXABLE EVALUATIONS

Manager Alles reviewed the re-evaluation process and how the city sets the mill levy based on the taxable evaluation. Mayor Smith asked if the taxable evaluation is what the city receives from the Department of Revenue. Manager Alles concurred and then explained the process a property owner can use if they do not agree with their taxable evaluation.

Community Development

Sign Ordinance Update – City Attorney Jodoin referred the commission to the January 28th memo on the legal issues with the sign ordinance and the January 29th memo on the R-O (Residential-Office) zoning district "on-premises sign requirement.

Attorney Jodoin gave an overview of the sign ordinance review that was ultimately put it on hold. Since then there has been a Supreme Court decision on signs in Gilbert, Arizona.

Attorney Jodoin concurred with the decision; he is concerned the city of Helena's sign ordinance falls under the same as Gilbert, Arizona. This is a common way to regulate temporary signs. At the end of the day, he is recommending the underlying zoning applies to the sign. Staff will not monitor signs for content.

Attorney Jodoin stated he also believes the city's ordinance has issues with on and off premise signs. There may be a way around it; but ultimately, the commission should task the Zoning Commission to go back and draft the sign ordinance that would comply with the Supreme Court decision.

Attorney Jodoin referred the commission to a complaint filed against Planned Parenthood. He has informed the property owner they need to get a permit and meet the sign regulations. This is an issue that needs to be addressed sooner than later.

Director Haugen concurred with the recommendation of Attorney Jodoin. Manager Alles asked if the commission wants to move quicker on the development of a sign ordinance or take the time to review the entire zoning ordinance. Manager Alles concurred to task the Zoning Commission to draft an ordinance for commission consideration.

Mayor Smith spoke of the regulations on political signs and it was argued that the city has no authority to regulate the signs. He then asked what would happen if there was no sign ordinance. Attorney Jodoin stated that would be a policy decision; however, the city has the right to regulate signs, not the content.

Mayor Smith stated he is hesitant to ask the Zoning Commission to develop a recommendation; however, if that is the process, so be it. He would recommend that staff develop a draft a recommendation.

Commissioner Ellison stated he was on the committee that looked at the sign ordinance. He believes he heard Attorney Jodoin say the current recommendation would not meet the standards of the Supreme Court decision. Commissioner Ellison asked Attorney Jodoin to speak on how much work it would take to bring the draft recommendation into compliance with the Supreme Court decision. Attorney Jodoin stated there are two ways; there is the option to get out of the content regulations; others have tried to weave their way in and out of it. The second option would take much more work; if the city developed a sign ordinance per zoning.

Commissioner Ellison stated he likes the first option of getting out of the content regulations; he asked if there is any municipality that has adopted an ordinance the commission could look at. Attorney Jodoin stated he can get a copy of an ordinance he believes will stand up in court.

Commissioner Haladay stated he would prefer not to have the Zoning Commission spend much time drafting a recommendation; he would be fine with a no content draft ordinance. Commissioner Haladay stated he did have many concerns with the last draft that was presented to the commission. There was language in there that dealt with lighting, which would have benefitted the city and there seems to have been an influx of new lighted signs since the commission did not take action on the ordinance. He then recommended staff start with the simpler step of getting a no content ordinance drafted.

Attorney Jodoin spoke on specific zoning districts and how much signing is appropriate. He noted he will start with a draft ordinance and the commission can add language.

Mayor Smith asked HCC Chair Spaeth to become involved in the drafting of a sign ordinance.

Manager Alles asked Attorney Jodoin and Community Development Director to restate what the city will and will not be enforcing regarding to the sign ordinance. Attorney Jodoin stated the election season just kicked off; however, he is not too concerned with enforcement of political signs in residential districts. Staff will not enforce temporary signs until a new ordinance is adopted; if a complaint is submitted, staff will follow-up.

Consensus Direction to Manager – Staff will work with the Zoning Commission to hold a hearing after a draft ordinance has been developed for a non-content regulatory sign ordinance.

Public Works Director

Preliminary 5311 Grant Budgets – Assistant Public Works Director Hauck reported staff is seeking guidance from the Commission on the assumptions that staff should use in developing the FY17 transit preliminary budget. Listed below are the initial assumptions staff has used for revenues,

personnel, operating, and capital budgets in the HATS, East Valley and Head Start budgets. The draft budgets are attached. Staff will make any Commission approved changes after the February 3rd work session. These grant budgets are due to the Montana Department of Transportation by March 1, 2015 **(Please keep in mind that this is just the budget for grant submittal purposes to show how we intend to spend all of the 5311 grant allocation)**. The Commission will be able to adjust this budget as needed throughout the normal City budget process.

FUND 580 - HATS REVENUES:

- Operating 5311 funding grant: We have been informed that the grant will be \$690,229 for FY 2017. The 5311 grant last year was \$747,447 \$707,117 (clarified at meeting). This is a decrease of \$16,888.
- The 5311 grant is assumed to be split between HATS (90%) and East Valley (10%) similar to last year's allocation split.
- The FY17 TransAde grant is assumed to continue in the amount of \$50,513.
- HATS transit fares and advertising revenues are projected to remain fairly constant. No increase/decrease in fares was assumed.
- The FY17 General Fund contribution is shown at \$375,000. This amount was increased by \$75,000 in FY16.
- The FY17 County Contribution is shown at \$37,500. FY16 was the first year the county considered contributing to meet the goals of the Transit Development Plan and the implementation of the new fixed routes.
- No cash donations or in-kind contributions are anticipated.

FUND 580 - HATS PERSONNEL:

- Cost of Living (COLA) was estimated at .0 % (Budget Office preliminary estimate).
- PERS retirement percentage was increased 1.21% based on State Law (Budget Office preliminary estimate).
- Health Insurance was increased 7% (Budget Office preliminary estimate).
- Vision/Dental was increased 3% (Budget Office preliminary estimate).
- Worker's compensation, liability insurance and fidelity insurance rates were based on budget office estimates.
- Salaries were budgeted to allow for the addition of one additional fixed route. The salaries will fund two fixed route buses that operate on a 75 minute schedule from 7:00 a.m. - 6:00 p.m. (an additional hour ½ per day is budgeted to allow for maintenance of buses.) and three Curb-to-Curb buses from 6:30 a.m. - 5:30 p.m. (an additional hour ½ per day is budgeted to allow for maintenance of buses).

FUND 580 - HATS OPERATIONS:

- Supplies and Materials are projected to increase \$1,650 mostly due to adding \$3,000 for uniforms for all drivers. Staff has been waiting until the re-naming of HATS was decided/implemented before investing in uniforms.
- Purchased Services are projected to decrease by \$141,032 from the FY16 budget. \$112,500 was included in line item 3099 to explore how the ADA para-transit demand could be reduced to allow for the start-up of a second fixed route. Another \$40,000 was added to line item 3099 during FY16 to complete the ADA bus stop assessment. Janitorial Services were moved from supplies & materials to 3099 for FY17.
- Intra-City Charges are projected to increase \$50,617 based on having two fixed routes. Intra-city charges include fuel, repairs, tires, & outside repairs.
- Fixed Costs are projected to increase slightly to pay tax bill special assessments.
- Internal Charges are projected to decrease \$3,439. These are preliminary numbers and may be adjusted throughout the budget process.

FUND 580 - HATS CAPITAL:

- We have requested \$300,000 for ADA bus stop improvements but will pursue grants and other opportunities to accomplish the necessary improvements.
- Request for one 12 passenger (6 wheel-chair) new ADA Para-transit bus (\$19,800). This amount reflects up to a 20% match requirement and not the full cost of a bus.

FUND 580- HATS CASH FLOW:

- The FY17 projected budget shows that HATS expenditures will exceed revenues by \$300,834 and capital reserves will drop to \$134,243. The reason for expenditures exceeding revenues is due to requesting \$300,000 for ADA bus stop improvements. Operationally, the budget is balanced if all revenue sources are realized.
 - 100% of the 5311 grant award is projected to be spent.
 - The total budgeted request of the additional fixed route is \$108,531.
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FUND 581 - EAST VALLEY REVENUES:

- The Lewis & Clark County contribution to the East Valley bus is shown at \$53,010. This is \$9,510 higher than the FY16 contribution of \$43,500.
- The City of East Helena contribution is shown at \$3,990. This is \$490 higher than the FY16 contribution of \$3,500.
- East Valley transit fares and advertising revenues are projected to increase slightly. No increase/decrease in fares was assumed.

FUND 581 - EAST VALLEY PERSONNEL:

- Cost of Living (COLA) was estimated at .0 % (Budget Office preliminary estimate).
- PERS retirement percentage was increased 1.21% based on State Law (Budget Office preliminary estimate).
- Health Insurance was increased 7% (Budget Office preliminary estimate).
- Vision/Dental was increased 3% (Budget Office preliminary estimate).
- Worker's compensation, liability insurance and fidelity insurance rates were based on budget office estimates.
- Salaries were budgeted to allow for one East Valley bus serving East Helena and the unincorporated East Valley area, operating on an hourly route for eight hours each day our operation is open (an additional hour ½ per day is budgeted to allow for maintenance of buses).
- No changes to the existing service such as a commuter route were contemplated in these budget numbers. This option could be discussed and the expenditure impacts evaluated if desired.

FUND 581 - EAST VALLEY OPERATIONS:

- Supplies and Materials are projected to remain unchanged.
- Purchased Services are projected to increase \$1,640 mostly due to the paying 10% of the overall projected cost for janitorial services at the Transit Facility.
- Intra-City Charges are projected to increase \$3,550 due to fuel usage estimates.
- Internal Charges are projected to decrease \$75. These are preliminary numbers and may be adjusted throughout the budget process.

FUND 581 - EAST VALLEY CAPITAL:

- No capital purchases are anticipated in FY17. However, the East Valley Bus is scheduled for replacement in FY18 and the County has historically provided the needed matching funds.

FUND 581 - EAST VALLEY CASH FLOW:

- The East Valley Cash Flow is essentially balanced using all of the above assumptions. The FY17 projected ending operating reserve balance is \$9,802. The optimum operating reserve for this type of fund is approximately 1/12 of the total operating expenditures or \$11,235 (\$134,814/12).
 - The East Valley fund is projected to use \$69,023 (10%) of the 5311 grant funds available to the City.
 - 100% of the 5311 grant award is projected to be spent.
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FUND 582 - HEAD START REVENUES:

- It is assumed that Rocky Mountain Development Council (RMDC) Head Start will cover 100% of their costs to the City of Helena.

FUND 582 - HEAD START PERSONNEL:

- Cost of Living (COLA) was estimated at .0 % (Budget Office preliminary estimate).

- PERS retirement percentage was increased 1.21% based on State Law (Budget Office preliminary estimate).
- Health Insurance was increased 7% (Budget Office preliminary estimate).
- Vision/Dental was increased 3% (Budget Office preliminary estimate).
- Worker's compensation, liability insurance and fidelity insurance rates were based on budget office estimates.
- Worker's Compensation rates were based on budget office estimates.
- RMDC does not believe there will any additional staff or route reductions this year.

FUND 582 - HEAD START OPERATIONS:

- Supplies and Materials and Purchased Services are projected to remain virtually unchanged.
- Intra-City charges are projected to decrease \$887 due to reduced fuel usage and lower costs projected for repairs/parts.
- Internal Charges are projected to decrease \$79. These are preliminary numbers and may be adjusted throughout the budget process.

FUND 582 - HEAD START CAPITAL:

- No capital purchases are anticipated.

FUND 582 - HEAD START CASH FLOW:

- This cash flow should always be balanced due to Head Start paying for 100% of the costs of operating this program.

Mayor Smith asked if Head Start is the only partner that helps fund the transit system.

Jaymie Sheldahl stated Head Start turned in their grant application and transportation was included in it; however, it could be amended as they are not sure what funds will be available. She noted this is only an assumption. There are 18 children who benefit from the service.

Deborah Swingley, HATAC Chair, stated HATAC has met and has a recommendation for both the capital equipment and TransAde funding.

Commissioner Ellison noted the way staff has presented the information is the best starting point and he is comfortable going forward with the revenue/expense assumptions laid out.

Commissioner Noonan stated securing the two fixed routes is a crucial thing, people need to be able to relay on fixed routes. At this point, he will support the assumption there will be two fixed routes.

Mayor Smith commented staff is assuming the city's general fund contribution will remain at \$375,000 and the county's contribution will remain at \$37,500. Assistant Director Hauck stated the assumptions also include the \$50,000 from TransAde; however, that is not the recommendation of HATAC.

Preliminary Coordination Plan – Supervisor Larson reported the coordination plan is not complete; however, it will be in the next couple of days and sent to HATAC for their consideration. This is a required step in securing the grant funding. The state has moved to an on-line application process. Due to some mis-information, staff missed some initial training. Staff will get caught up and move it through the process.

HATAC Capital Recommendations and HATAC TransAde Recommendations – HATAC Chair Swingley reported on the February 1st HATAC meeting the members considered the three requests for both the Capital and TansAde funding. Prior to starting into the review, the HATAC members reviewed the conflict of interest clause from HATAC's by-laws. Ms. Swingley noted that MDT representative Tom Stuber and IR Reporter Al Knauber were also present at the meeting.

Ms. Swingley reported there were three requests received for both Capital and TransAde funding. After reviewing and discussing the requests, HATAC made the following recommendations:

Capital Equipment

1. HATS – new 12 passenger bus
2. Westmont – replace a 12 passenger ADA accessible bus
3. PEERS – wheelchair assessable van

TransAde

1. \$22,528 to MILP in collaboration with Capital Taxi, to provide evening and week-end transit service
2. \$500 to PEERS
3. \$27,500 to the City of Helena

Mayor Smith asked for public comment. Charlie Briggs with Eastern Seals Goodwill Rocky Mountain and HATAC member stated he strongly supported the capital equipment recommendation. He initially had some questions about a couple of items with the proposal from MILP; would they contract with the Capital Taxi and would the service be targeted toward evening and week-ends. It was very important that the city be able to increase their ridership, which would be accomplished through the new service being proposed by MILP. Approximately 14,000 additional rides were estimated. He also asked if MILP would receive an administrative fee for the service and was assured that all of the TransAde funding would go toward the evening and week-end service.

Jaymie Sheldahl commented it is a collaborative partnership which will be accomplished by the proposal from MILP. She spoke of the legislative trolley service and the city was able to provide \$25,000 worth of funding.

Deborah Swingley stated the evening and week-end service is a much needed service.

Commissioner Haladay asked regarding the MILP proposal, is there any guarantee that it will be used solely for week-end and evening service or will they also provide service during the day. If the \$25,000 is lost, there will be an additional general funds needed. Will this be a duplicate effort.

Supervisor Larson stated it is his understanding if the MILP proposal is approved; the city would develop an MOU with MILP and would have to monitor and make sure they meet those objectives and would have to submit the documentation to MDT. Once the documentation is approved, a check would be issued to the city, which in turn would have to reimburse MILP.

Commissioner Haladay asked in terms of oversight, what if they start at 3:00 and not receive funding from TransAde until after 6:00. Essentially, MILP will have an MOU and will be able to use the service 24-7. The funding is to subsidize evenings and week-end service.

Commissioner Haladay stated this could be a duplication of services. HATAC member Deborah Swingley stated she is uncomfortable stating this is a duplication of services. It was clearly stated it would begin after 6:00 p.m. and on week-ends. Commissioner Haladay stated the TransAde funding is one thing; however, there is no limitation on using this vehicle 24-7 with other funding sources. Supervisor Larson concurred.

Manager Alles stated related to the compliance regulations; he has concerns the city is obligated to provide oversight of the sub-recipient of the funding. At this time, he doesn't have the answers to his concerns.

Commissioner Farris-Olsen stated he has the same concerns as Manager Alles and Commissioner Haladay. He asked who is going to own the van. HATAC member Deborah Swingley stated MILP will own the vehicle and will sub-let it to Capital Taxi to provide the service. Commissioner Farris-Olsen noted he has the same concerns that we provide administrative oversight and have another vehicle competing for service.

Commissioner Noonan stated he too has a concern related to this, it is often trying to meet a need and having a non-profit provide the service to a program that is not sustainable. It is a big leap to rely on Capital Taxi to provide service those who would use it without having the appropriate training.

Administrative Services Director Jorgenson noted there is more oversight than Supervisor Larson's time, including financial controls. He has concerns with what internal controls will the sub-recipients be required to provide.

Commissioner Ellison stated he shares all the concerns that have been expressed. He then asked if it is possible to forward the ranking request to MDT and decline to be the oversight entity if the funds are distributed as recommended. Manager Alles stated MDT staff has indicated the city has to submit it the way HATAC is recommending. As a governance perspective, he has concerns that the grant request has to be submitted with HTAC's recommendation; however, the city accepts the responsibility of grant. The oversight will take a substantial amount of staff time and he continues to be concerned with the commission not having the final decision on ranking.

Commissioner Ellison stated it may not be in the city's best interest to apply for the TransAde grant due to the oversight regulations, specifically the financial and legal oversight. Manager Alles stated he believes that may be an option, but will do further research.

Administrative Services Director Jorgenson noted the federal regulations have changed and 10% of the grant must be applied to indirect costs; which would be approximately \$2,250.

Mayor Smith asked if the city would be responsible for the oversight of both MILP and Capital Taxi. Administrative Services Director Jorgenson stated it would be the sub-recipient.

HATAC member Charlie Briggs commented the Capital Taxi drivers have experience working with this population and have been a delivery of services.

Mayor Smith stated his concern is financial; he struggled with increasing the general fund contribution last year and he is not committed to back filling the lost revenue from the TransAde grant and would reduce services. He is also interested in the proposal of not applying for TransAde and forgoing \$50,000

Commissioner Haladay stated the city should apply for TransAde funding. He asked if the city has to submit the ranking recommended by HATAC for the TransAde grant. Manager Alles stated that is the information staff has received from MDT. However, he is trying to confirm that information.

Commissioner Haladay stated he is curious to know the basis of this, what is HATAC's legal authority to be making recommendations. He needs to know the specific regulations. Manager Alles stated staff is researching these questions.

Commissioner Ellison stated if the commission has no input other than a pass through for this grant; it appears MDT has made HATAC a policy committee and not an advisory committee. Obviously he is concerned about that and asked staff to get clarification if this is the intent of MDT or a misinterpretation.

Mayor Smith stated if what staff is being told is correct, the city's role is to pass these recommendations through, it presumes approval by MDT.

Attorney Jodoin stated he is concerned and would take it one step further, not only are we agreeing to comply with that, but we are essentially agreeing to contract with Capital Taxi. That is not the way public policy is done, if the city wants this service, we go through a request for proposals process. The way he understands this, we are being told the city cannot change the recommendation and have to be responsible for making sure both MILP and Capital Taxi, a for-profit business, is complying with all the regulatory conditions of the grant. He also expressed concern if Capital Taxi participated in the voting at the HATAC meeting.

Mayor Smith stated the implementation of this public policy needs further clarification. It still comes down to funding and he will not support adding another \$27,000 from the general fund.

Manager Alles stated this is an update to the commission and it will be back on the next administrative meeting agenda and on the February 22nd city commission meeting agenda.

HATAC member Deborah Swingley stated this is the first year that anyone across the state has faced these issues with the TransAde grant. HATAC did what they were asked to do.

Commissioner Ellison thanked Deborah Swingley for chairing HATAC; he then asked when this ranking was made, did anyone recuse themselves from voting on the ranking. Deborah Swingley stated Steve Larson did recuse himself. There were 11 of the 16 voting members were present. Commissioner Ellison reiterated the only one who recused himself was Mr. Larson. Deborah Swingley concurred.

Manager Alles stated the city's number one priority is the implementation of two fixed routes.

Discussion was held on the \$71,000 budget in FY15 and the \$300,000 in FY16 towards the ADA compliant bus stops.

6. Committee discussions

- a) Audit Committee, City-County Board of Health, L&C County Mental Health Advisory Committee, Montana League of Cities & Towns – Mayor Smith – No report given.
- b) Mayor Pro-Tem, Audit Committee, Helena Chamber of Commerce Liaison, Information Technology Committee, Transportation Coordinating Committee – Commissioner Ellison – No report given.
- c) ADA Compliance Committee, Audit Committee, City-County Parks Board, Civic Center Board – No report given.

- d) Board of Adjustment, City-County Administration Building (CCAB), Non-Motorized Travel Advisory Board, Transportation Coordinating Committee – Commissioner Haladay – No report given.
- e) Business Improvement District/Helena Parking Commission ,Montana Business Assistance Connection, Public Art Committee – No report given.
- f) Helena Citizens Council – No report given.

7. Review of agenda for February 8, 2016 – No discussion held.

8. Public Comment – None received.

9. Commission discussion and direction to the City Manager – Mayor Smith noted that several months ago, he sent an draft twinning agreement between the City of Helena and the City of Isla Mujeres, Mexico, to the commission for review and comment. At that time, there was no feedback and the agreement was forwarded to Isla Mujeres. Mayor Smith announced he received correspondence that a delegation from Isla Mujeres would travel to Helena for the joint signing of the agreement; which has been scheduled for February 22nd. Additional information will be sent out once the itinerary has been set.

10. Adjourn – Meeting adjourned at 5:50 p.m.