

**CITY OF HELENA**  
**REGULAR CITY COMMISSION MEETING**  
**November 19, 2012**  
**6:00 P.M.**

***Time & Place***

A regular City Commission meeting was held on Monday, November 19, 2012 at 6:00 p.m., in the Commission Chambers, 316 N. Park Avenue, Helena, Montana.

***Members Present***

Mayor Smith indicated for the record that Commissioners Elsaesser and Thweatt were present. Commissioners Ellison and Haque-Hausrath were excused. City Manager Ron Alles, City Attorney Jeff Hindoien and Deputy City Clerk Robyn Brown were present.

***Pledge of Allegiance***

Mayor Smith asked those persons present to please stand and join him in the pledge of allegiance.

***Minutes***

The minutes of the regular City Commission meeting of November 5, 2012 were approved as submitted.

***Proclamation***

PROCLAMATION:

A. Pancreatic Cancer Awareness Month

Mayor Smith read the proclamation designating November as Pancreatic Cancer Awareness Month. Mr. Stephen McCue accepted the proclamation and spoke about the severity of the disease of pancreatic cancer and its mortality rate. He thanked Mayor Smith for bringing awareness to the disease and announced there is a bill before the Senate to increase research on the disease.

Commissioner Elsaesser thanked Mr. McCue for bringing attention to the disease and expressed sorrow for the loss of his wife, Ms. Mary McCue.

***Board Appointments*** BOARD APPOINTMENTS:

Mayor Smith asked for Commission concurrence on the following board appointments:

Bill Roberts Golf Course Advisory Board - Appointment of Dave Bauer to a first term on the Bill Roberts Golf Course Advisory Board; term will begin upon appointment and expire October 30, 2015.

Public Art Committee - Appointment of Moira McNutt to an unexpired term as a representative of an Art Organization on the Public Art Committee; term will begin upon appointment and expire December 31, 2014. Also, the appointment of Joshua Fruge to an unexpired term as a citizen at large representative on the Public Art Committee; term will begin upon appointment and expire December 31, 2012.

Public comment

Mayor Smith asked for public comment, none was received.

**Motion** **Commissioner Elsaesser moved approval of the appointments to the Bill Roberts Golf Advisory Board and Public Art Committee as listed above.** Commissioner Thweatt seconded the motion. All voted aye, motion carried.

**Consent Agenda** CONSENT AGENDA:  
A. Claims  
B. Acceptance of the October pledged collateral report  
C. Resolution relating to an interest rate reduction on certain outstanding DNRC Drinking Water Revolving Loan Program Bonds; and authorizing the fixing of the terms and conditions thereof **Res #19973**  
D. Utility Bill Inserts for 2013

City Manager Ron Alles recommended approval of the claims and the consent agenda.

**Public comment** Mayor Smith asked for public comment, none was received.

**Motion** **Commissioner Elsaesser moved approval of items A through D on the consent agenda.** Commissioner Thweatt seconded the motion. All voted aye, motion carried.

**Communications** COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS  
Commissioner Elsaesser spoke in support of Consent Agenda item C, which stands to save the city a large amount of money by refinancing the loan. He thanked Mr. Jorgenson and Administrative Services staff for continuously looking for ways to save the city money.

**Report of the City Attorney** REPORT OF THE CITY ATTORNEY  
No report was given.

**Report of the City Manager** REPORT OF THE CITY MANAGER  
Manager Alles gave a detailed synopsis of the Street Department's operating policies and procedures during the winter months. He encouraged concerned citizens to call the Street Department at 447-1566, his office at 447-8401 or visit the city's website- [www.ci.helena.mt.us](http://www.ci.helena.mt.us) to relay their concerns. He noted that no new crushed glass will be added to the city's traction mix for use this season; however, there may be some remnants left in the mix from last year.

City Manager Alles also reported Helena Fire Department (HFD) Captain Bob Fearon is retiring from the HFD after 27 years of service. Fire Chief J. R. Feucht gave Captain Fearon's work history and professional achievements and congratulated him on his retirement.

Mayor Smith and the Commission members thanked Cpt. Fearon for his service to the city and citizens of Helena and wished him well on his retirement.

**Report from the Helena Citizens Council** REPORT FROM THE HELENA CITIZENS COUNCIL  
No report was given.

**Regular Items**

REGULAR ITEMS:

- A. CONSIDER A RESOLUTION OF INTENTION TO ESTABLISH FEES TO BE CHARGED FOR THE BILL ROBERTS GOLF COURSE, 2013 SEASON.

Staff Report

Parks & Recreation Director Amy Teegarden reported with continued rising costs and the need for capital improvements, city staff strives to operate the course within a financial strategy that can meet operational and capital improvement goals. Every year city staff and the Golf Advisory Board (GAB) review the season's expenses, revenues, and revenue trends in comparison to budget projections. Although the golf course saw an increase in revenues and decrease in expenditures over the 2012 season, the GAB is still recommending small increases to the fee schedule for 2013.

Director Teegarden recommended approval of the resolution of intention proposing the fee schedule to be charged for the 2013 season to help meet the city's and Golf Advisory Board's financial goals for the course.

Discussion

Commissioner Elsaesser spoke in support of the resolution of intention.

Public comment

Mayor Smith called for public comment; none was received.

**Motion**

**Commissioner Thweatt moved approval of a resolution of Intention to establish fees to be charged for the Bill Roberts Golf Course for the 2013 season and set a public hearing date for December 3, 2012.** Commissioner Elsaesser seconded the motion. All voted aye, motion carried. **Res #19974**

**Public Hearings**

PUBLIC HEARINGS:

- A. CONSIDER GRANTING A TAX ABATEMENT REQUEST FROM THE BOEING COMPANY FOR NEW AND EXPANDING BUSINESSES.

Staff Report

Community Development Director Sharon Haugen reported in October 2012, The Boeing Company submitted an application for tax abatement as provided in MCA 15-24-1401. This section of the law allows local governments to grant tax abatements for qualifying improvements or modernized processes for new or expanding industry. The Boeing Company is requesting that Lewis and Clark County and the City of Helena consider granting the abatement for the purchase of new equipment at their plant. The abatement, if granted, would run from tax year 2013 through tax year 2022. The estimated cost of the equipment to be purchased will be \$11,265,000. The intent of the tax abatement is to allow local communities to encourage new and /or expanding businesses by making available tax benefits for future expansion and development. The tax abatement helps the company to better afford improvements and expansion of their existing operation.

The Boeing Company purchased the former Summit Aeronautics Group in 2010. The Helena office serves as one of Boeing's fabrication centers for complex machining and end-line aircraft parts manufacturing. The Boeing Company is a major employer in the city, currently employing over 150 employees. The Boeing Company, doing business

as Summit Aeronautics, has received previous tax abatements and has complied with all requirements associated with the abatements.

The applicant has requested a tax abatement for new and expanding businesses to abate the taxes on the purchase of new equipment. The abatement, if granted, would run from tax years 2013 through 2022.

Director Haugen noted granting of the tax abatement would provide financial assistance in the further expansion of The Boeing Company in this community. It would also implement the goals in the City's Growth Policy relating to promoting the expansion of existing Helena businesses through economic incentives.

Public Testimony

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

Eric Smith, Boeing Company, applicant; spoke in support of the abatement.

Robert Phillipovich, Helena; expressed concern over the abatement.

Joe McClure, Montana Business Assistance Connection; spoke in support of the abatement.

There being no further persons wishing to address the Commission, Mayor Smith closed the public hearing.

Motion

**Commissioner Elsaesser moved approval of a resolution granting a tax abatement in accordance with MCA 15-24-1401 to the Boeing Company for qualifying improvements or modernized processes for new or expanding industry.** Commissioner Thweatt seconded the motion.

Discussion

Commissioner Elsaesser spoke in support of the abatement and noted it would help purchase equipment that will create and sustain jobs in Helena and contribute to the company far into the future.

Commissioner Thweatt commented Boeing is a major asset to the City of Helena. He indicated he would not support the abatement though, and questioned if it would be a sufficient incentive for Boeing to justify the cost to the city.

Mayor Smith indicated he would support the abatement. He noted he is not going to gamble with the amount of jobs the company has created; they are good paying jobs needed in the community and mostly filled by students straight out of the Montana College of Technology.

Vote

Motion failed 2-1, with Commissioner Thweatt voting no.

**NOTE: THERE WERE ONLY 3 COMMISSIONERS PRESENT AT THE NOVEMBER 19, 2012 MEETING THUS REQUIRING A SUPER-MAJORITY (UNANIMOUS) VOTE TO APPROVE ANY AGENDA ITEM UNDER CONSIDERATION.**

B. CONSIDER A RESOLUTION AUTHORIZING THE SALE OF SURPLUS REAL PROPERTY, BLOCK 570 OF THE EASTERLY ADDITION.

Staff Report

City Controller Glenn Jorgenson reported the City owns property located above the corner of Rhode Island St. and South Hoback St,

property ID 05-1888-31-4-27-25-0000 (see attached map). The City Commission approved a resolution of intention on October 29th to declare it surplus and authorize its sale. The property owners to the north would like the opportunity to purchase it to facilitate their residential building plans.

The Parks Department supports the sale and plans to use the proceeds for improvements and management amenities on open lands within close proximity of the area. No other city department has identified any need for the property.

Controller Jorgenson recommended the Commission approve selling this parcel described as Block 570 in the Easterly Addition in the City of Helena to the highest bidder at a public auction. Staff plans to set a minimum bid of \$1.42 per square foot, for a minimum total of \$29,072. He noted the Parks Department can use the proceeds to make improvements or amenities that benefit the adjacent open space land.

**Public Testimony**

Mayor Smith declared the public portion of the hearing open and called for any persons wishing to address the Commission.

There being no persons wishing to address the Commission, Mayor Smith closed the public hearing.

**Motion**

**Commissioner Thweatt moved approval of a resolution declaring certain real property owned by the City of Helena surplus and authorize its sale, described as Block 570 of the Easterly Addition in the City of Helena.** Commissioner Elsaesser seconded the motion. All voted aye, motion carried. **Res #19975**

***Public Communications***

**PUBLIC COMMUNICATIONS**

No public communications were given.

***Meetings of Interest***

**MEETINGS OF INTEREST**

The next Administrative Meeting is November 28, 2012 and the next Commission Meeting is December 3, 2012.

***Adjournment***

There being no further business to come before the Commission, the meeting was adjourned at 7:05 p.m.

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Mayor James E. Smith

ATTEST:

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Clerk of the Commission