

CITY OF HELENA
REGULAR CITY COMMISSION MEETING
February 25, 2013
6:00 P.M.

Time & Place

A regular City Commission meeting was held on Monday, February 25, 2013 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, Ellison, Thweatt and Haque-Hausrath were present. City Manager Ron Alles, City Attorney Jeff Hindoien and Deputy City Clerk Robyn Brown were present. Others present were John Forbes representing the Helena Citizens Council.

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 February 11, 2013 were approved as submitted.

Consent Agenda

CONSENT AGENDA:

- A. Claims
- B. Memorandum of Understanding between Montana Disaster and Emergency Services and the City of Helena for Helena Fire Department Blue Card Training
- C. Resolution declaring 1994 Chevy Truck as surplus property

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 Ellison moved approval of items A through C on the consent agenda. Commissioner Elsaesser seconded the motion. All voted aye, motion carried.

Bid Award

BID AWARD:

- A. Bid Award for Golf Cart Fleet

Staff Report

Parks & Recreation Director Amy Teegarden reported rental carts are a critical value-added service that golf customers expect. Rental carts are also a dependable revenue source. In 2012, the rental fleet generated over \$114,000.00 in revenue. The existing rental golf cart fleet was purchased in 2004 for \$139,600.00. The carts have reached the end of their performance as a dependable, cost-effective rental fleet, without requiring a major investment of maintenance time and costs.

The overall objective is to maintain a revenue stream associated with providing a rental golf cart fleet. City staff proposes to award a contract to Johnson Distributing and fund the purchase using a 1.0%, fixed rate, five year, internal loan from the Capital Improvement (440) Fund.

City staff has evaluated the pros and cons of keeping the existing fleet and investing significant resources into maintenance needs; or trading-in the fleet for new carts while there is still significant value for

trade-in. After "testing" the market, a request for bids was sent to appropriate vendors. Two bids were received. The low bid was submitted by Johnson Distributing (Great Falls, MT) for a total of \$138,066. The bid is for the Club Car Precedent i2 (55 carts including trade-in of existing fleet) and maintenance agreement.

Two financing options were reviewed:

1. INTERCAP financing would reduce General Fund debt capacity, and be at a variable interest rate currently start at 1.25%; and
2. The Capital Improvement (440) Fund is building reserves for future major capital needs. At this time those reserves can only be invested at 0.45% or less interest. There is no CCIP scheduled need for cash flow that would prohibit a five year internal loan.

Life of the new carts is expected to be 10 years. Payoff of the loan would occur in 5 years, and could potentially be paid off early. In 2014, the golf course will pay a final SID payment of \$15,360, thus an additional loan payment will not be a new debt service burden to the overall budget.

Director Teegarden recommended approval of the bid award and noted replacement of the carts now ensures a significant trade-in value without the need for a significant investment of maintenance time and money to keep the existing carts operating in an acceptable manner.

Discussion

Commissioner Elsaesser asked if the golf course is expected to have the same annual revenue going forward. Director Teegarden stated yes.

Public comment

Mayor Smith asked for public comment, none was received.

Motion

Commissioner Thweatt moved approval of the award of a contract to Johnson Distributing in the amount of \$138,066 and the funding through a 1.0%, fixed rate, five year, internal loan from the Capital Improvement (440) Fund. Commissioner Ellison seconded the motion. All voted aye, motion carried.

Communications

COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS

Commissioner Elsaesser commended the civil process being performed by the Legislature.

Commissioners Ellison, Thweatt and Elsaesser reported they attended a presentation on the EPA's Greening America's capitals grant program today; representatives from the program are in town through Thursday working on implementation. Commissioner Elsaesser gave an overview of the schedule of work sessions.

Commissioner Ellison spoke of the potential for sequestration in federal government programs and services and commended the airport for their recent refusal to give up their full body scanner.

Commissioner Thweatt spoke of Earth Hour on March 23rd. He requested the city participate in the conservation initiative and develop a resolution outlining the city's efforts towards energy conservation and the challenge of climate change. There was Commission concurrence to

consider the proposed resolution. City Manager Alles noted staff would assist in drafting the resolution.

Report of the City Attorney

REPORT OF THE CITY ATTORNEY
No report was given.

Report of the City Manager

REPORT OF THE CITY MANAGER
No report was given.

Report from the Helena Citizens Council

REPORT FROM THE HELENA CITIZENS COUNCIL
HCC member John Forbes stated the HCC is currently working on revamping its website and soliciting new membership. He reported the HCC has invited the city's department heads to attend upcoming council meetings to give an overview of their budgets for FY 2014.

Regular Items

REGULAR ITEMS:
A. CONSIDER THE FY 2014 PRELIMINARY GRANT BUDGETS FOR THE HELENA AREA TRANSIT SERVICE (HATS), EAST VALLEY, HEAD START, RIMROCK TRAILWAYS AND THE FY 2014 COORDINATION PLAN.

Staff Report

HATS Superintendent Steve Larson reported The Montana MDT Section 5311 Transportation Assistance grant is a primary funding source for the HATS public transit service. In FY 2014 HATS will be requesting \$706,924.95 of operating funds and \$136,884.00 of capital funding. Applications are due March 1, 2013. Public notice of the grant requests was advertised in the Independent Record on February 6 and 14, 2013. Approval of this preliminary grant request does not indicate final Commission approval of the transit budget. These budgets will be reviewed and may be increased or decreased by the commission during the regular budget process.

The proposed FY2014 preliminary budget covers the cost of the operation of HATS, East Valley, Head Start and Rimrock Trailways. No substantial changes are proposed at this time in the operation of these divisions. Capital requests include one (1) new bus for HATS and a new operating software package. Commission approval of these preliminary budgets will allow staff to complete the FY2014 section 5311 Transportation Assistance grant application.

Superintendent Larson recommended approval of the grant submittal for these proposed budgets as it will provide the City with the necessary funding to continue public transit service to Helena area residents at the current level of service. Funding of the public transit operation provides Helena area residents with the option to reduce energy consumption and green house gases by using public transportation instead of personal vehicles.

Discussion

Commissioner Elsaesser asked if the increase of \$108,000 is included in the proposed budget being presented tonight. Superintendent Larson stated yes.

Mayor Smith asked how sequestration could affect the proposed budgets. Superintendent Larson stated he has not received any information from the State of Montana on the effects of that proposal and explained how the funding from the state works.

Mayor Smith asked for an update on the consolidation of some of the grant programs. Superintendent Larson acknowledged that New Freedoms grant funding has ended and JARC funding has been revised and explained the Map 21 program. He noted the city is working with Lewis & Clark County to find ways to fund continuation of existing routes with the reduced grant funding.

Manager Alles noted the Commission would be provided a regular update on the HATS program at the Joint Work Session.

Commissioner Ellison referred to the 2014 Coordination Plan- Current and Ongoing Coordination Efforts and asked for more information on HATS efforts since 2010 to provide services via contract to various agencies/organizations, such as the Pre-Release Center. Superintendent Larson noted those efforts are moving forward slowly and updated the Commission on their progress. Commissioner Ellison encouraged Superintendent Larson to continue to work toward securing those contracts.

Commissioner Elsaesser urged staff to find solutions for the new funding issues and noted he is looking forward to a plan being developed for how the city can improve its public transit services.

Public comment

Mayor Smith called for public comment; none was received.

Motion

Commissioner Elsaesser moved approval of the proposed FY 2014 budgets and Coordination Plan for the Helena Area Transit Service and authorized staff to complete and submit the Section 5311 grant application. Commissioner Haque-Hausrath seconded the motion. All voted aye, motion carried.

Public Communications

PUBLIC COMMUNICATIONS

No public communications were given.

Meetings of Interest

MEETINGS OF INTEREST

The next Administrative Meeting is March 6, 2013 and the next Commission Meeting is March 11, 2013.

Adjournment

There being no further business to come before the Commission, the meeting was adjourned at 6:29 p.m.

Mayor James E. Smith

ATTEST:

Clerk of the Commission