

**CITY OF HELENA  
REGULAR CITY COMMISSION MEETING  
February 24, 2014  
6:00 P.M.**

- Time & Place*** A regular City Commission meeting was held on Monday, February 24, 2014 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, Haque-Hausrath and Haladay were present. 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 February 10, 2014 were approved as submitted.
- Consent Agenda*** CONSENT AGENDA:  
A. Claims  
B. Final passage of Ordinance No. 3188 for a zone change from R-2 (Residential) District to R-4 (Residential-Office) District for property legally described as Lots 1-13 in Block 27 and Lots 4-15 in Block 28 of Antelope Trace Phase 3 of Crossroads at Mountain View Meadows Subdivision, in the City of Helena, Montana. **Ord #3188**
- 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 Haladay moved approval of items A and B on the consent agenda.** Commissioner Ellison seconded the motion. All voted aye, motion carried.
- Communications*** COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS  
Mayor Smith asked how snow removal was progressing after the extremely large amount of snow Helena received over the weekend. City Manager Alles stated the Streets Division is working very hard to reach all areas of the city, gave the shift schedule of the plow drivers, and thanked staff for the work they have done clearing the weekend's incredibly heavy snowfall.
- Report of the City Attorney*** REPORT OF THE CITY ATTORNEY  
No report was given.
- Report of the City Manager*** REPORT OF THE CITY MANAGER  
A. Recognition of Helena Police Department (HPD) Senior Officer Roy Tanniehill
- City Manager Alles invited Police Chief Troy McGee to discuss the retirement of HPD Senior Officer Roy Tanniehill. Chief McGee

announced Officer Tanniehill would be retiring from the HPD effective February 28, 2014 and gave an overview of his education, training history, professional achievements and variety of work assignments held while serving on the HPD. Chief McGee also discussed the community and law enforcement programs originated by Officer Tanniehill and the numerous accolades and awards for job performance he received throughout his career. Chief McGee commended Officer Tanniehill's commitment to the community and his support of many organizations and charities.

Officer Tanniehill spoke fondly of his career with the Police Department and commended his fellow officers and HPD administration. He introduced his wife in attendance and thanked his family for their support of his choice of profession.

The Commission thanked Officer Tanniehill for his service and commended his achievements and devotion to the community. Chief McGee announced a retirement party for Officer Tanniehill would be held on February 28<sup>th</sup> at 1:30 pm in the Law Enforcement Center.

***Report from the  
Helena Citizens  
Council***

REPORT FROM THE HELENA CITIZENS COUNCIL

No report was given.

***Regular Items***

REGULAR ITEMS:

A. CONSIDER ENLARGEMENT OF THE CITY OF HELENA WATER AND SEWER SERVICE AREA BOUNDARY TO INCLUDE LOTS 1-36 IN BLOCK 1 OF THE COURT HOUSE ADDITION.

Staff Report

City Engineer Ryan Leland reported David Jackson, owner of the property, has submitted an application to expand the water and sewer service boundary. The above referenced property has been in a continuing process to reconfigure the lots for the owners, including vacation of an alley, purchase of City property, and submission of an amended plat that is currently being reviewed by City Staff. The city water main is across the entire frontage of the property. The city sewer main crosses a portion of the property frontage and dead ends at the intersection of Rhode Island and Hoback Street.

The applicant is requesting to have Lots 1-36 in Block 1 of the Court House Addition included within the water and sewer service area boundary. With the proposed amended plat all the lots have fronting property and can be served on Rhode Island Street. The sewer main will have to be extended in Rhode Island so the sewer service can be connected perpendicular from the lot to the main.

Engineer Leland recommended approval of the enlargement and commented the proposal will allow the applicant to combine his lots for in-fill development.

Public comment

Mayor Smith called for public comment; none was received.

**Motion**

**Commissioner Elsaesser moved approval of enlargement of the City of Helena Water and Sewer Service Area Boundary to include Lots 1-36 in Block 1 of the Court House Addition to the City of Helena.** Commissioner Haque-Hausrath seconded the motion. All voted aye, motion carried.

B. CONSIDER A RESOLUTION AUTHORIZING THE USE OF THE CITY OF HELENA'S REVOLVING LOAN FUND BY MONTANA BUSINESS ASSISTANCE CONNECTION, INC. (MBAC) FOR THE PURPOSE OF DIRECTLY FINANCING MBAC'S ACQUISITION OF THE CAIRD ENGINEERING PROPERTY.

Staff Report

City Attorney Jeff Hindoien reported the City of Helena presently has an economic development Revolving Loan Fund (RLF) that dates back to 1994. The RLF consists of funds that were initially received and lent out through the Community Development Block Grant (CDBG) program, and those funds have since been repaid and, in some instances, re-lent and repaid yet again through the RLF program. The present balance of funds available for lending is approximately \$690,000.

The City entered into a Sub-Recipient Agreement with Gateway Economic Development Corporation (Gateway) in 1999 that authorized Gateway to provide management and administrative services for the RLF. That Sub-Recipient Agreement has been amended twice since then, and MBAC is now the successor-in-interest to Gateway and currently provides the management and administrative services for the City's RLF under the terms of the January 2003 Sub-Recipient Agreement.

The Sub-Recipient Agreement requires that all City of Helena RLF income, principal and interest be used for third-party RLF loans "unless otherwise approved by the City Commission." The Sub-Recipient Agreement also requires that MBAC "comply with the [RLF] Policies [and Procedures] as approved by the City and the Department of Commerce."

As outlined more fully in its January 30, 2014 "*Caird Engineering, Inc. Property Cleanup Business Plan*", MBAC is interested in acquiring the Caird Property and performing certain environmental clean-up work on the property to place it back into a condition where it can be re-sold and readily utilized for economic development purposes. By virtue of its status as a member of the Central Montana Brownfields Coalition, MBAC has advised that it has ready access to sub-grant and loan funds from an EPA Brownfields RLF grant made to the Coalition in 2011. As outlined in its *Business Plan* document, MBAC's current plan would be to (1) finance the acquisition of the property through direct use of a portion of the City's RLF and (2) finance the environmental remediation work through the use of sub-grant and loan proceeds from the Brownfields Coalition RLF grant.

In order to allow for that type of use of the City's RLF, however, direct approval by the City Commission is required under the terms of the Sub-Recipient Agreement. As also required by the Sub-Recipient Agreement, the RLF Policies and Procedures will also need to be amended and submitted to the MT Department of Commerce for filing and approval, but the Commission has already vested the City Manager with the authority to approve any amendments to the Policies and Procedures. (See Resolution No. 11445)

The attached Resolution is intended to provide for the City Commission's approval of MBAC's use of a portion of the RLF funds for the purposes described above. It contemplates that MBAC will secure the use of the RLF funds through a written loan agreement between the City and MBAC, with the terms of that loan agreement (i.e., interest rate, repayment term, etc.) and its accompanying security instrument (i.e., mortgage/trust indenture) to be established, approved and entered into by the City Manager on behalf of the City. That type of loan structure

would be consistent with the type of loan structure that was utilized in 1988 for the loan agreement between the City and MBAC's predecessor (HAEDCO) for the acquisition of the Phoenix Building ("Small Business Incubator"), and consistent with the collateral requirements under the RLF Policies and Procedures. The resolution also requires that MBAC make changes to the currently operative RLF Policies and Procedures to authorize the use of the RLF funds for this specific purpose, and that it remain otherwise compliant with its obligations to the City under the Sub-Recipient Agreement.

Based on Director Haugen's and my ongoing dialogue with the Montana Department of Commerce and our review of what we understand to be the applicable CDBG program materials, it has been and remains our understanding that the use of the RLF funds for this purpose by MBAC will not be contrary to any CDBG-related requirements so long as the use is otherwise authorized by the terms of the Sub-Recipient Agreement and the applicable RLF Policies and Procedures. The proposed resolution will provide authorization for the use as required by the Sub-Recipient Agreement.

Attorney Hindoien recommended approval of the resolution authorizing the use of RLF Funds as the Caird Property has been for sale for several years, with the environmental conditions that MBAC proposes to address being an obvious obstacle to any sale and renovation of the property. The loan agreement authorized by the resolution will facilitate the purchase of the Caird Property by MBAC for purposes of conducting those environmental clean-up measures to allow for new commercial economic development on the site. MBAC's proposed actions are consistent with the intended use of the RLF and the CDBG funds from which it was created, which include the promotion of activities that have the potential to create and maintain private sector jobs, to create higher per capita incomes, and to enhance the tax revenues for the City of Helena.

However, MBAC's *Business Plan* document indicates that the RLF funds, if not used for this proposed loan, can otherwise be lent out to local individuals and businesses with a higher rate of return (i.e., 7% plus 2% origination) for the RLF than it will see from the low or no-interest loan presently being contemplated for the Caird acquisition. Additionally, the proposed loan will temporarily remove \$500,000 from the pool of economic development financing that would otherwise be available for MBAC to lend to qualified individual and small business applicants in the City of Helena.

#### Public comment

Mayor Smith called for public comment.

The following persons spoke in support of the proposal: Dean Daniel Bingham; University of Montana- Helena College of Technology, 801 California; M.C. Beeby, 6<sup>th</sup> Ward Neighborhood Association; Chuck Ball, 1416 Walnut; Bonnie Lorang, 1512 Butte Avenue; Linda Kindrick, Clancy; past president of MBAC and current Director of the Montana Community Finance Foundation; Rose Casey, 6<sup>th</sup> Ward Neighborhood Association; Andrew Haagemeyer, 410 State Street; Joe Mueller, 2002 Sweetgrass, representing the Seller; Daniel Hash, 1300 N. Montana; and Shawn Whitewolf, former 6<sup>th</sup> Ward resident.

**Motion**

**Commissioner Haque-Hausrath moved approval of a resolution authorizing the conditional use of the City of Helena's Revolving Loan Fund by Montana Business Assistance Connection, Inc. for the purpose of real property acquisition.** Commissioner Haladay seconded the motion.

**Discussion**

Commissioner Haque-Hausrath thanked Dr. Shove, MBAC and the neighborhood for their interest and work on this proposal, which she found the most viable yet. She spoke in support of the concept of Brownfields and infill development for the neighborhood and commented the project is an example of the government needing to assist in the cleanup because the private market was not able to get it done. Commissioner Haque-Hausrath stated she is confident MBAC will spend the amount of funding it will take to clean-up the property for commercial use (all B-1 uses except daycare and residential), and urged them to also remediate contamination on the portions of the property that could be used for residential to the appropriate standard for mixed-use development. She recommended a visioning process be held for the property since it is located in the center of town and review what could be done to fix the adjacent intersection. She commented a lot of work still needs to be done to ensure the best use for the property is applied but she will support the proposal as a good first step.

Commissioner Haladay stated he has many issues with this plan, and does not appreciate that it was presented, communicated and represented to the Commission. He expressed concern that the proposal does not permit all B-1 uses, as has been stated; and that it will leave some pollution in the ground. However, he commented he is a pragmatist and realizes this proposal is probably the best that will be proposed in quite some time so he will vote in support of it. He challenged his fellow Commissioners to work toward growth and economic development of the area and referred to previous plans for creating a Tax Increment Finance (TIF) District for the neighborhood. The Commission needs to evaluate opportunities for special districts and solutions for transportation and related railroad crossing issues in the area. He summarized the Commission needs to do what it can to support revitalization of the neighborhood for the long run.

Commissioner Elsaesser concurred with Commissioner Haladay's concerns regarding MBAC's communications with the Commission. He asked City Manager Alles to work with the MBAC Board to secure transportation improvements for the highest utilization possible at the site; requested MBAC thoroughly vet the best use for the property; and commented on contamination issues related to the various allowable uses for the property. Commissioner Elsaesser reiterated MBAC must be cautious when determining what will be constructed on the property since certain uses may be legal, but not practical. However, he looks forward to seeing the proposal continue to move forward.

Commissioner Ellison pointed out MBAC's purpose is to provide lending expertise, as a lending organization to aid in business and economic development in the community. MBAC does not have property development experience or operate as an organization that's purpose is to borrow money, which is cause for concern.

He spoke to the financial aspects of the proposal and agreed some fiscal information has not been communicated properly to the

Commission. He referred to page 9 of MBAC's Business Plan which discusses delayed implementation costs that could be experienced, yet they are requesting an interest free loan from the city. So rather than there being lost opportunity if the Commission delays its decision, there is lost income to MBAC if the proposal is approved. That situation is sideways.

It is also concerning there has not been a clear plan articulated for what will occur after the property is cleaned up. Discussion has included receiving Brownfields funding, performing clean-up of the site, planting grass and selling it to the next interested buying that comes along. Maybe that is a good plan and maybe it isn't but there are instances in our city where property has been for sale for a long time, at a low cost, but there aren't interested buyers. He expressed concern if the city approves this proposal and the site is cleaned up to an industrial/commercial standard, but not to the full standard, the future adult residents of Helena will not be able to utilize this site for purposes like educational facilities, which has been discussed. If funding is going to be provided to clean-up the property, it should be to the full standard so there is no toxicity left in the ground and it can be available for any use that may be needed by the community.

Commissioner Ellison noted the Commission has not been informed of what the worst case scenario is. It appears that would be that the site gets partially cleaned up, costs more than is expected resulting in MBAC needing to apply for additional funding in the form of a grant or another loan, or perhaps abandon the effort. The city would then end up owning this parcel, partially cleaned up and not able to do anything with it at the cost of \$500,000. Commissioner Ellison stated for all of those reasons he would be reluctantly opposing the proposal.

Mayor Smith stated following thoughtful review of the proposal and a great deal of discussion on the issue, he believes it is better to do something with the property rather than nothing. He noted he has been through several iterations for development of the property that have not worked out and is hopeful this one will. While the outcome is fraught with peril and uncertainty, he is going to put his hope in this process and the leadership of MBAC and the city that the cleanup of the property will override the market failure that has existed for quite some time, and take a step in the direction of the public good by cleaning up the property and selling it to an interested buyer as soon as possible.

Commissioner Haque-Hausrath commented she does not see this as an irrevocable decision as far as the level the property should be cleaned up to. If there is a buyer that wants to purchase it to put residential development or a school or daycare on it, there will be the ability to do additional clean-up for such development. She clarified if this proposal is approved it does not lock-in the level of remediation; what would be approved, is for what the likely reasonably anticipated future use – commercial –would require. Overall it is not likely anyone would want to residential use along Montana Avenue; with a good, solid, retail development located there it is likely there will never be a need to clean-up past what is done to commercial standards. Commissioner Haque-Hausrath noted a deed restriction will be placed the property to prevent residential or childcare use. She added this property is in a high-profile location and has an active Neighborhood Association.

Commissioner Elsaesser asked Manager Alles if there would be the ability for the city, perhaps the county, and other interested parties to review possibilities to secure additional funding to clean the site up to a

further level. Manager Alles stated yes, given previous discussions about the property and the discussion at tonight's meeting, there is no reason staff wouldn't continue to look at what opportunities may exist. Commissioner Elsaesser recognized and concurred with Commissioner Ellison's concerns regarding the property being cleaned up to the full standards for long-term use. He noted although he is reluctant, he would be voting in support of the loan as he trusts his experience with the MBAC Board to ensure the proposal succeeds.

Commissioner Haladay agreed with Commissioner Ellison's concerns related to MBAC's lack of experience in property management and stated he strongly disagrees with any proposal where MBAC would hold and lease the property. While Dr. Shove has indicated on the record that MBAC would not be best suited to operate in that capacity, what options are available to the city via the loan agreement to preclude that possibility from ever coming to fruition? Manager Alles suggested language in the agreement could require a balloon payment at three years to alleviate lease/property management concerns. He commented he is unsure of where the idea of leasing the property out arose from, because during his experience sitting on the MBAC Board it was never fully developed as an option. Commissioner Haladay referred to generous renegotiating language included in the agreement per MBAC's request. He asked if once the balloon payment is made, would any request by MBAC for an amendment or total refinancing of the loan require formal Commission approval. Manager Alles explained the city has an interest in seeing MBAC succeed; they are an economic development arm of the city and work with local governments to achieve that. To that end, he would recommend a clause allowing for the loan to be renegotiated but the terms of such agreement would certainly require Commission approval.

Commissioner Haque-Hausrath stated for the record while she supports the proposal before the Commission tonight, she does not support MBAC attempting to develop or lease the property itself.

**Vote**

Motion carried 4-1, with Commissioner Ellison voting no. **Res #20069**

C. CONSIDER A RESOLUTION OF INTENTION TO INCREASE BUILDING FEES AND ADOPT AN ALTERNATIVE ENERGY INCENTIVE.

**Staff Report**

Chief Building Official John Pallister reported currently the Building Division is operating under fees established by Resolution No. 19263 adopted on July 25, 2005 and City Ordinance No. 3134. The fee schedules adopted by resolution reflect those that were published in the 1994 Uniform Building Code and companion codes as adopted by the State of Montana, of which the Building Division is using a percentage of those fees (96%), and the most current ICC Building Valuation Data table. The last fee increase was in 2005 using the 2005 ICC valuations and the 1994 fees set by the State of Montana.

The adoption of fee schedules for the Building Division intended to generally raise permit generated revenues across the board to more accurately reflect the division's cost of doing business. The adoption of an alternative energy incentive intended to promote the use of solar panel and wind turbine systems within the City of Helena. The anticipation that the fee increases coupled with community growth and

strength of the building economy will bring the division's revenues into line with program expenditures and also begin to rebuild the division's allowable reserve account to bolster the level of service provided to the contracting community and the public into the future. To promote clean energy by promoting the use of solar panel and wind turbine systems in the City of Helena by adopting an alternative energy incentive policy.

Chief Building Official Pallister recommended approval of the resolution of intention as it recognizes the need for the Building Division, as a public safety entity, to maintain its self-sufficiency and independence from the general fund; assuring that those parties making use of the various services that the division offers are also paying for them and not placing an undue burden upon the general taxpayer; while continuing to provide quality services to clientele. He commented the proposal would also have a notable energy impact as it would promote clean energy by encouraging the use of solar panel and wind turbine systems in the City of Helena by adopting an alternative energy incentive policy.

Discussion

Mayor Smith noted the Commission discussed the proposal at length at their last Administrative Meeting. He asked Mr. Pallister if the community's builders and developers are comfortable with the fee increase. Mr. Pallister stated at a recent Helena Building Industry Association (HBIA) meeting, the association seemed indifferent; they have not provided positive or negative feedback on the proposal. He summarized he has not gotten the sense that this is seen as a bad idea.

Public comment

Mayor Smith called for public comment.

Jack Walsh, HBIA Government Affairs Director; confirmed the HBIA has not yet taken a position on the proposed fee increases and would provide a formal recommendation prior to the public hearing on March 24<sup>th</sup>.

Motion

**Commissioner Ellison moved approval of a resolution of intention to increase fees for residential, commercial and industrial building permits, mechanical and plumbing permits, and electrical permits, and to adopt an incentive policy to promote the use of solar panel and wind turbine systems and set a public hearing for March 24, 2014.** Commissioner Elsaesser seconded the motion.

Amendment

**Commissioner Haque-Hausrath moved to amend the resolution of intention to increase fees for residential, commercial and industrial building permits, mechanical and plumbing permits, and electrical permits, and to adopt an incentive policy to promote the use of solar panel and wind turbine systems to include "Haque-Hausrath Amendment #1".** Commissioner Elsaesser seconded the motion.

*NOTE: "Haque-Hausrath Amendment #1" is included in the Commission packet as part of the official record.*

Discussion

Commissioners Ellison, Elsaesser and Haladay thanked city staff for their work in bringing the proposed energy incentives to fruition. Commissioner Ellison encouraged the building industry to recommend ways for the city to foster building within the city limits. Commissioner Elsaesser concurred with Commissioner Ellison's comments and noted

he is working on a proposal to incentivize the development of residential dwellings within the city limits. He commented on issues that may be driving property owners to build in the county and noted he will submit a formal proposal for Commission consideration at the March 24<sup>th</sup> public hearing.

Mayor Smith commented the city has asked Lewis & Clark County to work together on joint development standards for quite some time yet no progress has been made.

**Vote on amendment** All voted aye, motion carried.

**Vote on Resolution of Intent- as amended** All voted aye, motion carried. **Res #20070**

D. CONSIDER ADOPTION OF THE STATE OF MONTANA-DEPARTMENT OF TRANSPORTATION'S TITLE VI PLAN AS THE OPERATIVE TITLE VI PLAN FOR THE HELENA AREA TRANSIT SERVICE.

Staff Report

HATS Supt. Steve Larson reported The United States Department of Transportation / Federal Transportation Administration (FTA) recently altered its requirements as to which funding recipients would be specifically required to adopt a "plan" for complying with the requirements of Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on sex, creed, race, color or national origin by any program or activity receiving federal financial assistance. Prior to this change, these requirements were met by having the primary recipient (i.e., the State of Montana) develop and implement a plan. However, FTA is now directing that sub-recipients of federal transit funding submit a Title VI plan to the primary recipient, which means that HATS is now required to submit such a plan to MDT.

Both MDT and FTA have advised, however, that this requirement can be met by having the elected governing authority for the transit service take formal action to approve and adopt MDT's Title VI plan as the operative plan for its transit service. The transit service can then submit a copy of the governing body's official agenda and minutes materials to MDT to document that formal action. A copy of the MDT Title VI plan was included in the Commission packet for reference.

The requested approval and adoption action will facilitate HATS' compliance with the new FTA requirement for formal adoption of a Title VI plan by sub-recipients. HATS has historically participated in the MDT Title VI plan by utilizing its notice and complaints materials for dissemination to members of the public (both in the HATS facilities and vehicles as well as HATS website), and any Title VI complaints would already be directed to MDT's Civil Rights Bureau for processing.

Public comment Mayor Smith called for public comment; none was received.

**Motion** **Commissioner Haque-Hausrath moved approval for the adoption of the State of Montana Department of Transportation's Title VI Plan and accompanying forms and procedures as the Title VI Plan for the Helena Area Transit Service.** Commissioner Haladay seconded the motion. All voted aye, motion carried.

**Public Hearings**

## PUBLIC HEARINGS:

- A. CONSIDER THE PROPOSED FY 2015 HELENA AREA TRANSIT SERVICE (HATS) REQUEST FOR MONTANA MDT SECTION 5311 TRANSPORTATION ASSISTANCE, HATS PRELIMINARY BUDGET, PRELIMINARY FY 2015 BUDGET FOR HEAD START AND THE FY 2015 COORDINATION PLAN.

## Staff Report

Superintendent Larson reported each year HATS is required to submit its preliminary grant request by March 3rd. This is a status quo budget for FY 2015. For FY 2015 the 5316 JARC grant has been combined into the 5311 Rural Transit program. Additionally, 5317 New Freedoms program has been discontinued. This request does not include the 5311F Inter-city bus operations. Helena lost its Inter-city bus service in August of 2013.

The FY 2015 Section 5311 Transportation Assistance grant is a primary funding source for the HATS bus system. In FY 2015 HATS will be requesting \$593,001.32 of 5311 operating funds with a contingency fund of \$43,231.24 available to HATS until April of 2015. We are also requesting \$158,800 in capital funding for a new fixed route bus and \$52,800 in funding for six shelters for the fixed route bus system. As the state designated lead agency for the Helena area HATS will also include requests for grant funding from other agencies.

Applications are due by March 3, 2014. Public notice of the grant requests was advertised February 12th and 21st, 2014. Approval of this preliminary budget for grant submittal purposes does not indicate final Commission approval of the transit budget. These budgets will be reviewed and may be changed by the Commission during the regular budget process.

Supt. Larson recommended approval of the proposed budget and commented it provides the city with the necessary funding to continue to provide public transit service to Helena area residents. He added it is based on the program's historical costs.

## Discussion

Thorough discussion was held on HATS program funding. Manager Alles explained it is his understanding the program is currently at capacity for grant funding and reiterated detailed discussion would be held regarding all financial aspects of the program during the city's annual budget review process.

Commissioner Haladay discussed his concerns with the HATS program in depth, including: routes, accessibility, community outreach, grant funding and proposed budget. He recommended the city approach organizations that consistently use the HATS service, such as Boyd Andrew, and request they memorialize their use of the program by entering into a Memorandum of Understanding (MOU) for the purchase of rides/ tokens. Such agreements could possibly be used by the city as the required "match" component of grant funding.

Manager Alles reported prior to Superintendent Larson's employment at HATS he was involved in a number of formal requests for community partners; the State of Montana, St. Peter's Hospital, Carroll College and the Helena College of Technology to provide supporting funds for the match to expand the program. They were reluctant and denied the city's request.

Commissioner Haque-Hausrath concurred with Commissioner Haladay's recommendation and reiterated the desire to incorporate

MOU's for HATS services as a source of matching funding when applying for transit program-related grants.

For the record, Commissioner Haladay asked Supt. Larson if the HATS program were able to secure funding through the above discussed MOU, would that MOU count towards the match portion of the grant. Supt. Larson stated it is his understanding that such an MOU would count toward the city's match.

Public Testimony

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

Elizabeth Andrews, 727 12<sup>th</sup> Avenue, Helena Transit Advisory Council (HTAC) member; commended the city for applying for a recent grant it was awarded to improve sidewalks. She spoke in support of the submission of the preliminary budget, related plans and requested the Commission support the objectives of the Transit Development Plan (TDP). She requested HATS staff be provided with the resources they need to make the service successful.

Bob Maffit, 15 Garfield Street, Montana Independent Living Project (MILP) Director; urged the city to expand the HATS service.

John McCray, 530 Leslie Avenue; noted that a lack of transportation is very isolating for seniors, especially on evenings and weekends and urged the Commission to approve all of the HATS related items under consideration.

Cindy Barrow, 2575 Arabian Road; urged the Commission to support submission of the preliminary budget and associated plans.

Vivian Crabtree, HTAC Chair; concurred with the public testimony given and reiterated the importance of providing quality public transportation.

Les Clark, 2111 East 6<sup>th</sup> Avenue; requested approval of the preliminary budget and agreed with Commissioner Haladay's concerns.

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

Comment

Commissioner Elsaesser confirmed the Commission is committed to expanding HATS services and grant funding. Commissioner Haladay urged the Commission to support implementation of the recommendations contained in the TDP.

Mayor Smith commented on efforts that have been made in the past to increase ridership through community outreach.

Motion

**Commissioner Ellison moved approval of the proposed FY 2015 preliminary operating budget for the Helena Area Transit Service, the FY 2015 Coordination Plan and authorized staff to complete and the City Manager to sign and submit the financial assistance grant request to the Montana Department of Transportation.** Commissioner Haladay seconded the motion. All voted aye, motion carried.

- B. CONSIDER ADOPTION OF THE HATS 2014 ADA COMPLEMENTARY PARA-TRANSIT PLAN WITH FUNCTIONAL NEEDS EVALUATION.

Staff Report

Supt. Larson continued reporting the current ADA Complementary Curb-to-Curb/Paratransit Service is an open transit system that allows anyone to schedule and use the paratransit service.

This open system has caused the system to experience heavy use at certain times throughout the day. While we do not have detailed data it is believed individuals who must use the paratransit bus are forced to select different times to ride due to the bus schedule being full at their preferred time. Additionally, HATS and the city have received two letters from Capital Taxi expressing his concern about HATS taking business away from a private business in large part because of our open ridership policy. By restricting the ADA/Paratransit buses to only those individuals who meet the Functional Needs criteria we will be better positioned to meet the paratransit riders' schedule. In addition, any drivers and buses that are not needed to serve the curb-to-curb ridership can be used to develop more fixed route service.

He recommended adoption of the 2014 HATS Complementary ADA/Paratransit Plan with Functional Needs Evaluation and explained it will provide better service to those individuals who meet the Paratransit criteria and use the paratransit bus.

Discussion

Haque-Hausrath referred to concerns identified in the staff report related to implementation of the plan and asked how long it would take to increase the fixed-route service to ensure no ridership is lost. Superintendent Larson explained the timeframe will depend on what route is determined for increase. Reactivation of a discontinued route would be relatively fast, but creation of an entirely new route would take more review and time to implement.

Public Testimony

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

Bob Maffit, MILP; thanked Superintendent Larson for his work on the plan; however, he recommended the city provide more detailed statistics on paratransit use before implementing the plan.

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

Comment

Commissioner Ellison spoke in support of the plan and thanked Superintendent Larson for his work. He respectfully disagreed with the disadvantage listed in the staff report as he believes the plan will be greatly advantageous to those living with limited mobility who need the curb-to-curb service most.

Commissioner Elsaesser commented in favor of the plan and noted it can be revised if necessary following its implementation..

Commissioner Haladay expressed concern that by changing the way paratransit service is provided HATS may permanently lose current curb-to-curb customers.

Motion

**Commissioner Ellison moved approval for the adoption of the 2014 Complementary ADA/Paratransit Plan with Functional Needs Evaluation for the City's HATS Public Transit Division.**

Commissioner Elsaesser seconded the motion. All voted aye, motion carried.

- C. CONSIDER A RESOLUTION TO ESTABLISH A CONSOLIDATED LISTING OF ALL CURRENT RESIDENTIAL PARKING DISTRICTS, TO ESTABLISH THE CRITERIA AND FEES FOR THE CREATION AND DESIGNATION OF ANY

NEW RESIDENTIAL PARKING DISTRICTS, AND TO SET THE  
FEE AMOUNT FOR RESIDENTIAL PARKING PERMITS.

Staff Report

Parking Commission Director Dave Hewitt reported In accordance with Helena City Code § 8-14-7, the City Commission has created and designated numerous Residential Parking Districts over time, in each instance by separate resolution. That circumstance has created difficulties in inventorying and managing all of the districts. In addition to that, the City has received multiple requests to create new districts, and we do not have standardized criteria and fees for that process. As of January 2014, residents in these districts are expected to purchase permits for on street parking each year at the annual rate of \$20 (usually two vehicles per property), and pay for guest permits at the rate of \$5 per permit for use by friends, service providers, etc. The income from permit purchases recovers a small portion of the costs for patrolling and enforcing the parking restrictions. In many districts, however, no permits are purchased and for others only small minorities of property owners acquire permits. The Helena Parking Commission presently manages permit purchases and processes citations for violations of the parking restrictions.

Staff is recommending the creation of a consolidated listing of all Residential Parking Districts, and establishment of clear criteria and fees relating to the process of creating and designating any new Residential Parking Districts. An additional objective is to have the Commission act to increase the current fees for the cost of parking permits in those districts located outside the present boundaries of the Helena Parking Commission.

Director Hewitt recommended approval of the proposed resolution as a consolidated listing of all current Residential Parking Districts will facilitate a regular review process concerning the efficiency and desirability of maintaining such districts. The establishment of criteria for the creation of any new Residential Parking Districts will promote consistency and uniformity in the processing of any new petitions, and the establishment of fee rates for permits in districts outside of the HPC boundaries will also promote consistency across all districts.

Discussion

Commissioner Haque-Hausrath stated she does not believe there is much importance in keeping those districts with little to no participation active and asked how fast a resolution dissolving the underused districts could be brought before the Commission for consideration. Manager Alles estimated two-three months as he'd like to give residents the opportunity to participate in the process being proposed tonight. Commissioner Haladay asked if enforcement could be softened during the early stages of implementation. Manager Alles stated yes.

Director Hewitt clarified the Parking Commission raised its own District fees from \$10 to \$20; the resolution being considered tonight addresses fees for districts created outside of the Parking Commission District.

Public Testimony

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

Laura Shively, 500 N. Park Avenue; spoke in opposition to the resolution.

Mark Bond, 1823 W. Broadway; spoke in opposition to the resolution.

Mary Anne Guggenheim, 100 Stewart Street; agreed the Commission should set standards for district creation and dissolve those districts that aren't currently being utilized. Ms. Guggenheim explained she lives in District 11 and gave a description of its location and what types of property uses it includes. She referred to Section A of the proposed resolution which states that "districts shall be zoned entirely residential", and expressed concern that while her current district is essential for living in the area, it does not contain purely residential property. Ms. Guggenheim requested the Commission to review and revise those requirements of the resolution.

Todd Tillinger, Dearborn Avenue; expressed concern for the proposal.

Liz Campbell, Holter Avenue; asked the Commission to deny the resolution.

Jeff Salisbury, 1<sup>st</sup> Baptist Church; 201 8<sup>th</sup> Avenue; spoke in opposition to the proposal and asked for clarification on several items in the resolution.

Randy Jensen, 244 Brady; requested residents of existing Residential Parking Districts be sent a notice when their permit expires, or the charge be automatically added to the tax bills of residents living in the districts.

Leslie Williams, 222 Terry Court; spoke in opposition to language contained in Section 5 of the proposed resolution related to the required percentage of participation for a district and requested Section 5 be stricken.

Eric Barbie, 315 West Lawrence; spoke in opposition to the proposed resolution.

Heidi Windell, 100 Hauser Boulevard; urged the Commission to deny the resolution.

Robert Carter, 1<sup>st</sup> Baptist Church; requested the Commission increase the amount of time allowed for parking from 2 hours to 3 hours.

Tina Brothers 645 Dearborn; asked the city and Parking Commission to find a more creative solution to this issue.

Jim Graytac, 141 Elmwood Lane; requested the Commission deny the resolution.

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

**Motion**

**Commissioner Elsaesser moved to deny a resolution to establish a consolidated listing of all current Residential Parking Districts, to establish the criteria and fees for the creation and designation of any new Residential Parking Districts, and to set the fee amount for residential parking permits.** Motion died for lack of a second.

**Motion**

**Commissioner Ellison moved to table a resolution to establish a consolidated listing of all current Residential Parking Districts, to establish the criteria and fees for the creation and designation of any new Residential Parking Districts, and to set the fee amount for residential parking permits to the call of the City Manager.** Motion died for lack of a second.

- Discussion** Commissioner Haladay referred to the process for disbandment of a district and stated per the proposed resolution, no district can automatically be disbanded; the Commission will be required to hold a hearing on whether or not to do so. City Manager Alles agreed. Commissioner Haladay asked if there is currently enough funding to provide staff to patrol the existing districts if the annual charge was not increased. Manager Alles stated no. Commissioner Haladay asked if the existing districts would cease to exist by de-facto if there is not enough staff to enforce them. Manager Alles commented the street sign providing notification of resident only parking would exist but no tickets would be given to offenders.
- Motion** **Commissioner Haladay moved approval of a resolution to establish a consolidated listing of all current Residential Parking Districts, to establish the criteria and fees for the creation and designation of any new Residential Parking Districts, and to set the fee amount for residential parking permits to the call of the City Manager.** Commissioner Haque-Hausrath seconded the motion.
- Comment** Commissioner Haladay noted he appreciates and sympathizes with the issue of parking downtown. However, he does not believe \$20/year is an unreasonable amount to pay to ensure parking is available for you in front of your house or to keep strangers from parking in front of your house, and to reserve the use of right-of-way that is supposed to be available to everyone as public space.  
Commissioner Haque-Hausrath indicated she would support the resolution and noted its purpose is to organize the existing districts, establish a consistent policy for creating any new districts, and charge an adequate fee to cover the costs of creation and enforcement of the districts. No substantive changes will occur with its approval.
- Vote** Motion carried 3-2, with Commissioners Ellison and Elsaesser voting no. **Res #20071**
- Public Communications** PUBLIC COMMUNICATIONS  
No public communications were given.
- Meetings of Interest** MEETINGS OF INTEREST  
The next Administrative Meeting is March 5, 2014 and the next Commission Meeting is March 10, 2014.
- Adjournment** There being no further business to come before the Commission, the meeting was adjourned at 10:05 p.m.

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Mayor James E. SmithATTEST:  
  

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Clerk of the Commission