

**CITY OF HELENA**  
**REGULAR CITY COMMISSION MEETING**  
**March 7, 2016**  
**6:00 P.M.**

**Time & Place** A regular City Commission meeting was held on Monday, March 7, 2016 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 Ellison, Haladay, Noonan and Farris-Olsen were present. City Manager Ron Alles, City Attorney Thomas Jodoin and Deputy City Clerk Robyn Brown were present. Others present were Dick Sloan 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 22, 2016 were approved as submitted.

**Board Appointments** BOARD APPOINTMENTS:  
A. Non-Motorized Travel Advisory Council (NMTAC)

Mayor Smith recommended the following board appointment:

Non-Motorized Travel Advisory Council – Reappointment of Sarah Karjala to a first full term on NMTAC; term will begin upon appointment and expire March 31, 2019.

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

**Motion** **Commissioner Haladay moved approval of the appointment to NMTAC as listed above.** Commissioner Farris-Olsen seconded the motion. All voted aye, motion carried.

**Consent Agenda** CONSENT AGENDA:  
A. Claims  
B. Interlocal Agreement for Management of Lewis & Clark County Solid Waste Operations

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 and B on the consent agenda.** Commissioner Haladay seconded the motion. All voted aye, motion carried.

**Communications** COMMUNICATIONS/PROPOSALS FROM COMMISSIONERS  
Commissioner Ellison commended Helena Police Department (HPD) Officer Corey Bailey on his recent promotion to Lieutenant and spoke highly of Lt. Bailey's professionalism and demonstrated ability to perform his job duties.

He noted the annual Swish Tournament, sponsored by the Helena Chamber of Commerce, was held this past weekend in Helena. One-hundred and thirty-two (132) teams participated, with 100 of those from outside of the Helena area, and some players coming from as far away as Idaho. He congratulated all of the participants and commented on the positive economic impact the tournament had for tourism-based businesses in the City.

***Report of the City Attorney***

**REPORT OF THE CITY ATTORNEY**

City Attorney Jodoin stated the investigator's determination in the human rights complaint filed by Bob Maffit and the Montana Independent Living Project (MILP) against the City of Helena is due this Friday, March 11<sup>th</sup>. He noted he would pass the report onto the Commission once it's received by his office.

***Report of the City Manager***

**REPORT OF THE CITY MANAGER**

Manager Alles announced the annual event, "Coffee with a Cop", will be held March 15<sup>th</sup> at 3:00 p.m. at Firetower Coffee.

He also reported staff is organizing a household hazardous waste collection event to be held this spring. He noted he would keep the Commission apprised on the event as specifics become available.

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

**REPORT FROM THE HELENA CITIZENS COUNCIL**

HCC Chair Gary Spaeth thanked Commissioner Ellison for attending their February Meeting. He urged the Commission to contact him with any topics they would like the Council to discuss at their monthly meetings.

***Regular Items***

**REGULAR ITEMS:**

- A. CONSIDER A RESOLUTION ESTABLISHING A COST REIMBURSEMENT PROGRAM FOR WASTEWATER INFRASTRUCTURE INSTALLED BY THE CITY OF HELENA IN CHOTEAU STREET, CANNON STREET, AND THE EAST-WEST ALLEY BETWEEN CHOTEAU AND CANNON STREETS.

**Staff Report**

Administrative Services Director Glenn Jorgenson reported seven (7) residents from Phase 1 of the Westside Project approached the City to be annexed and connect to City sewer. Several of the seven residents have failing septic systems. The City is proposing to try a small-scale version of the proposed plan for installation of City infrastructure for the whole Westside. The City has installed the sewer main and sewer stubs to 23 residents along Cannon Street, Linden Street, and Choteau Street which includes the seven county properties with some failing septic drain fields and no room for replacement drain fields.

The proposed cost reimbursement resolution would recoup the cost of the installation of the sewer main to the affected residents. Staff proposes the break down of the cost of the sewer main would be on a square foot basis for each lot. The project is close to being complete but all the costs have not been determined. The estimated cost of the project with a 10% contingency is \$348,090.60. The reimbursement would have to be paid or financed at the time of connection. A spreadsheet detailing the estimated cost break down for each property served was provided in

the meeting packet. The costs will be revised when the project is complete and the actual project cost is known.

Following discussion by the Commission at the March 2, 2016 Administrative Meeting, staff prepared amendments to the proposed resolution to address comments/revisions given/requested by the Commission. A copy of the amended resolution, titled "Staff Amendments", is included in the Commission packet as part of the official record.

The City will offer to finance the cost for existing developed homes through a loan agreement. The property owners will be charged 0% interest amortized over a 20-year period. The payments will be added to the monthly utility bills for the property and the property owner will sign a loan agreement that will be recorded with the County Clerk & Recorder. As part of the annexation process, water service hookup may be required for any properties that request wastewater service in the future that do not already have existing water service. Property owners that are delinquent on their utility bills will be subject to additional interest of 1.5% as allowed in City Ordinance.

Director Jorgenson recommended approval of the resolution, as properties with failed septic systems will be able to connect to City water and/or wastewater by using an interest-free financing program to fund and incentivize the installation of the necessary infrastructure.

#### Discussion

Commissioner Noonan asked if the provision stating the proposed financing program will only be offered for five years following approval of the resolution under consideration tonight would apply to all properties identified for annexation on the Westside, or only the areas listed in the proposed resolution. Director Jorgenson explained the City is trying to set precedent with the proposed resolution and financing program, and incentivize the installation of required infrastructure within the next 5 years for all affected Westside property owners.

Commissioner Farris-Olsen asked if the amendments proposed by staff address concerns related to the risk of not being able to get loan principal back. Director Jorgenson commented there is no way around that risk when providing loans. Commissioner Farris-Olsen asked if the five-year provision reduces the risk of loss of principal due to bankruptcy. Director Jorgenson concurred. He explained property owners still have the ability to hook up to services whenever they'd like; however if it is after five years of the date of approval of the proposed resolution, they will not receive a loan from the City and must pay the reimbursement costs in full at the time of connection. Manager Alles added the proposed program provides a financial incentive to affected Westside property owners and promotes hooking into City services sooner rather than later.

Commissioner Ellison referred to other loan programs offered by the City at 0% interest and asked if the Fair Lending Act is applied to those. Director Jorgenson explained it is not applied due to the interest rate of 0%. Commissioner Ellison thanked staff for working to resolve concerns he had with the previous version of the resolution, and indicated he is ready to move forward with what will be a good program.

Commissioner Haladay referred to the Sidewalk Replacement and Residential Renewable Energy/Energy Efficiency Loan Programs and asked if they are a safer loan for the City since they are placed on the property owner's annual tax bill. Attorney Jodoin explained they probably are, since property owners who don't pay their property taxes

will eventually lose their property, which can be bought by another party and at that time the loans will be required to be paid off too. Attorney Jodoin noted the Sidewalk Replacement Program is authorized by State Law, while the Renewable Energy Loan Program and Infrastructure Reimbursement Programs are being created by the City without any guidance from State Law.

Commissioner Haladay asked where the funding for this program will come out of in the City's budget. Manager Alles stated the Wastewater fund will provide the source of funding.

Manager Alles recommended the first sentence in Section C on page 5 of the "Staff Amendments" version of the resolution be stricken, as interest will not be applied per the conditions of the loan program and the presence of the language was an oversight.

**Public Comment**

Mayor Smith called for public comment.

Jo Hawkins, property owner; spoke in support of the reimbursement resolution and stated she and the other identified participants are supportive of the program and ready to move forward.

**Motion**

**Commissioner Ellison moved approval for a resolution, identified as the "Staff Amendment" resolution, establishing a cost reimbursement program for wastewater infrastructure installed by the City of Helena in Choteau Street, Cannon Street, and the East-West alley between Choteau and Cannon Streets, with the provision to strike the first sentence of Section C on page 5 of the resolution.**

Commissioner Haladay seconded the motion.

**Comment**

Commissioner Noonan thanked the property owners identified in the resolution for participating in the program. He commended them for wanting to work together with the City on these improvements, adding he hopes it encourages additional Westside residents to do the same.

Commissioner Haladay thanked the property owners listed in the resolution for approaching the City to find what is ultimately an equitable solution for the cost of imminent annexation and infrastructure installation on the Westside. He pointed out there is give and take by both sides with the creation of this program, noting the City wants to work with Westside property owners.

Mayor Smith concurred with Commissioner Haladay's comments, stating he hopes this program serves the City well moving forward.

**Vote**

All voted aye, motion carried. **Res #20235**

**Public Hearings**

PUBLIC HEARINGS:

- A. CONSIDER FIRST PASSAGE OF AN ORDINANCE PRE-ZONING TO R-2 (RESIDENTIAL) DISTRICT AND UPON ANNEXATION AMENDING THE OFFICIAL ZONING MAP FOR THE CITY OF HELENA FOR PROPERTY LEGALLY DESCRIBED AS LOTS 7-10 BLOCK 195 OF THE AMES ADDITION, HELENA, MONTANA.

**Staff Report**

Senior Planner Dustin Ramoie reported the applicant is proposing this pre-zoning and annexation to provide all city services for the single dwelling unit on the property. The subject property is already connected to the City water system. City Ordinance requires property to

be pre-zoned prior to annexation. Current land uses in the area include but are not limited to single dwelling residential, multiple dwelling residential, commercial, and a school. This pre-zoning would become effective upon annexation.

On February 9, 2016 the Helena Zoning Commission unanimously (5-0) approved this pre-zoning proposal.

Planner Ramoie recommended approval of the proposal as pre-zoning and annexation of the subject property will allow for abandonment of the existing failed septic system and connection to the city wastewater system as well as utilization of all other city services. The subject property is currently connected to the City water system and as such pre-zoning and annexation is in accordance with the policy to annex properties utilizing city services that are not within the city boundary.

**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 Noonan moved approve of first passage of an ordinance rezoning to R-2 (Residential) District and upon annexation amending the official zoning map for the City of Helena for property legally described as Lots 7-10 Block 195 of the Ames Addition, in Lewis and Clark County.** Commissioner Ellison seconded the motion. All voted aye, motion carried. **Ord #3217**

**Public Communications**

**PUBLIC COMMUNICATIONS**

No public communications were given.

**Meetings of Interest**

**MEETINGS OF INTEREST**

The next Administrative Meeting is March 16, 2016 and the next Commission Meeting is March 21, 2016.

**Adjournment**

There being no further business to come before the Commission, the meeting was adjourned at 6:41 p.m.

/S/ JAMES E. SMITH

Mayor

ATTEST:

/S/ DEBBIE HAVENS

Clerk of the Commission