

SUMMARY OF ADMINISTRATIVE MEETING
October 28, 2015 – 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, Elsaesser, Haque-Hausrath and Haladay were present. Staff present was: City Manager Ron Alles; Executive Assistant Sarah Elkins; City Attorney Thomas Jodoin; Police Chief Troy McGee; Public Works Director Randall Camp; City Engineer Ryan Leland; Community Development Director Sharon Haugen; Senior Planner Dustin Ramoie; Administrative Services Director Glenn Jorgenson; HCC Coordinator Judy Garrity and City Clerk Debbie Havens.

Others in attendance included: IR Report Al Knauber and Jane Kocmeyer.

2. October 14, 2015 Meeting Summary – The October 14, 2015 administrative meeting summary was approved, as amended.

3. Commission comments, questions – Commissioner Haque-Hausrath commented Commissioner Haladay has mentioned moving forward in setting up a Fire Assessment District and stated she continues to support moving forward. She believes staff could look at the process that could be accomplished with less staff hours than what was originally quoted to the commission. Commissioner Haque-Hausrath reported she met with Alan Nicholson to discuss the school facilities. Mr. Nicholson is recommending a full facilities study be completed prior to bringing a school bond forward and suggested the city consider paying for a portion of the plan. Commissioner Haque-Hausrath stated she would support contributing toward the cost of the plan, if funds could be found in the city budget.

Commissioner Elsaesser commended staff for the various community meetings that have been held recently, including the TIF District, Queen City Crossing, Downtown Master Plan, and the ADA discussion on bus stops.

Commissioner Elsaesser recommended city staff move forward and design an ADA compliant bus stop that can be used throughout the city. He wants to assure bus stops are built to accommodate the fixed routes.

Commissioner Elsaesser stated he believes the city wants to look at infrastructure needs with the school district; however, he is not sure what the format will be at the November 5th meeting between the city and school board.

Commissioner Elsaesser asked if the commission should schedule a closed session to discuss the water rights case.

Commissioner Ellison referenced the email correspondence from Commissioners Haque-Hausrath and Elsaesser regarding the recycling agreement that is on the consent agenda for November 2nd and requested further discussion later in the meeting. Mayor Smith suggested this item be discussed under review of the November 2nd agenda.

Commissioner Haladay referenced the exempt well rule, which is one of the many drivers of development in the county. The appeal is going forward and opening briefs are due before January 2016. The city commission has previously expressed an interest in preparing information on the impact of the decision; in addition the commission opposed HB 522.

Commissioner Haladay asked for commission concurrence to move forward and file a Friend of the Court Brief and if necessary, hire outside counsel to file that brief. The request to file an Amicus Brief should be requested fairly soon. Manager Alles concurred with filing an Amicus Brief; the commission has taken an active role in this discussion. He asked for some time for Attorney Jodoin and him to discuss the recommendation. In addition, the Montana League of Cities and Towns is also looking at this issue. Mayor Smith suggested Lewis & Clark County also be involved with this issue.

Commissioner Elsaesser stated he supports this action; however, he wondered why the city wouldn't partner with the League. Commissioner Haque-Hausrath stated she would support working with the League, if there is time to do so. It is important for the city of Helena to weigh in on this issue and the impacts it has on the city and that is what an Amicus Brief would convey.

There was commission to have City Manager Alles and Attorney Jodoin to find out the details of filing an Amicus Brief.

School District Discussion – Mayor Smith stated he will be out of town on November 5th and unable to attend the joint meeting. However, he too met with Alan and Nancy Nicholson and heard the recommendation to pay for a portion of a long-range comprehensive plan. Mayor Smith stated after the school bond failed, it was his hope there would be a plan for a quick turn around on bringing something back to the voters within a year. However, that hasn't happened and this joint meeting will begin discussions between the government entities.

Commissioner Elsaesser stated the commission wants to be engaged with the school district. However, if it is starting with square one, he would like to attend the November 5th meeting prior to committing to anything.

Commissioner Haladay stated he too would like to see a quick turn around on the school bond. If it is going to be a comprehensive plan, he believes the city has a vested interest in the outcome of the plan. He would support some financial assistance toward the comprehensive plan.

Commissioner Ellison stated he would not support the city commission assisting the school district with preparing a comprehensive plan for the school district. He too hoped the school board would move this forward in a timely manner.

Mayor Smith stated the recommendation for a comprehensive plan is coming from Alan and Nancy Nicholson. He suggested those who can attend the meeting on November 5th should hear what the school district has to say.

Commissioner Haque-Hausrath stated there are ways the city could assist without committing financial assistance, i.e. IT&S staff sharing the GIS data. She believes a facility plan is appropriate and hopes the school district concurs.

Commissioner Elsaesser again stated the city commission is willing to work with the school district and he is open to helping them out with infrastructure issues. It important for the city to continue to work with all entities when addressing infrastructure needs.

Fire District Discussion – Mayor Smith asked if the commission wants to pick up the conversation again, when would be the appropriate time to begin. Manager Alles noted Fire Chief Logan has put together a packet of information on what happened during the past effort and what other communities have done. He will make the information available to the commission for review. There is a lot of information that needs to be reviewed.

Mayor Smith stated he is hesitant to even move forward with this discussion. He is willing to look at the information; however, he will not commit to moving forward. Commissioner Ellison concurred with Mayor Smith's comments.

Commissioner Haladay stated he would like to move forward looking at the creation of a Fire District. He will review the information Chief Logan has compiled; this is the only way the commission will have the information to make the decision to move forward or not. Commissioner Haladay noted discussions should begin again with the State of Montana and tax-exempt entities regarding fire protection. This is a health/safety issue that needs to be addressed.

Mayor Smith again stated he would not move forward at all, if a decision needs to be made.

Manager Alles stated he will pursue discussions with the Department of Administration regarding fire protection for state agencies.

4. City Manager's Report – City Manager Alles referred the commission to the information on the Pay-As-You Throw recommendation. Discussion continues on winter hours for the transfer station among other topics. Also discussed was the possibility, if needed, the city could haul solid waste to the Tri-County landfill.

5. Department Discussions:

Administrative Services

Utility Bill Inserts: City Manager Alles and Administrative Services Director Jorgenson referred the commission to the 2016 Utility Bill Insert list for the commission consideration and discussion. The final approval is on the November 23rd city commission meeting agenda. He then referred to the insert scheduled for November 2015.

Staff has followed the guidelines set for in Resolution 19491 to establish the priority level of the inserts.

Commissioner Elsaesser noted there is an opening in June and suggested staff may want to include an insert on recycling and potential changes to solid waste collection.

Director Jorgenson stated the June insert is the annual water report, which requires a full page; therefore, there can only be one insert for the month. He then referred the commission to the copies of two of the proposed inserts.

Commissioner Elsaesser asked if people can still sign up for the sidewalk program. Engineer Leland reported citizens can still sign up for the 2016 program; there currently is no back log. Director Jorgenson noted an issue is having enough contractors to do the work.

Community Development

Westside Questions & Answers – Manager Alles referred the commission to the following questions and answers from the Westside Work Group:

Questions from Westside Working Group

1. **What will happen if residents cannot afford to hook up water and/or sewer at the time the City requires?** There may be the potential for a 20 year repayment plan on the water bill. If at the time of connection in 20 years some people cannot afford to connect it would be the commission at that time to make changes to the project and its requirements.
2. **Twenty years after annexation, if undeveloped lots have not been developed, will the City pass remaining infrastructure costs along to existing homeowners?** No the costs would be paid by the existing rate payers citywide.
3. **Will the City install a curb stop for water and sewer for each current house or lot when putting in the infrastructure (therefore reducing future costs to homeowners)?** The city will install curb boxes to the property line for all existing homes and can work with the property owner on location of curb boxes for vacant properties to accommodate future development.
4. **Will the City-required improvements be limited to sewer and water, or will they also require street paving, curbs and sidewalks, street lighting, etc.?** Street paving is part of the current proposal, the city commission may order in curbs and sidewalks for any property in the city at any time, and street lighting is not a requirement in the city and if someone wants to establish a lighting district it is through an election process.
5. **Is there any way to get a legally-binding guarantee from the City that a future City Commission will not change the cost resolution in the future?** Contracts will be in place for those that connect to services, and both parties will be legally bound by those terms. Future commissions may choose to adjust any resolution or ordinance as needed in the future and cannot be bound by a current city commission.
6. During the last effort to establish a sewer district on the Westside, there was a lot of misinformation distributed. How do we prevent or counter that for this effort? **The city and/or the county cannot control the distribution of information in the area. We could create a website strictly for the Westside where factual information gets posted. During the creation process, information regarding procedures should be obtained from County planning staff.**
7. Is there a tax advantage to going with a RSID (where assessments are made through County property taxes) compared to a Sewer and/or Water District (where assessments are made through user fees)? Are the user fees tax deductible? **The Water and/or Sewer District would have to hire a bookkeeper and pay for all costs associated with billing. They would also have to pay for an audit. With an RSID the county takes care of all the administrative work and the money is collected on the property tax bill.**
8. If we go the route of either a RSID or water/Sewer District, the city will eventually take over ownership of the installed infrastructure. Will the City then assess fees, and if so what fees and how much? Will homeowners that are hooked up to the infrastructure be assessed by both the County (and Sewer/Water District) and the city? **The city will own the infrastructure as soon as the lines are built and connected to city services (with the exception of the individual service lines to houses or businesses). Monthly service fees will be charged for the use of the service. These monthly bills do not pay down any debt associated with the construction**

of the infrastructure. If the long term debt is through an RSID you will be paying this off through your property tax bills.

9. **Is the City willing to wait for the 10-20 years for this to play out? Will the City put some kind of time limit after which they will restart annexation?**
All decisions are fact & case specific. The city does not place a time limit on annexation cases.
10. **What is the ultimate plan re: annexation? If a WSD or RSID successfully created the services, would the City still plan to annex the areas? If so, it is important for homeowners to know that. Any connection to city infrastructure (ie. water & sewer) requires annexation into the city.**
11. Under the RSID option, is the County willing to commit to a long term process of creating a series of RSIDs over a 10-20 year period? Is it possible to have County actually pass some kind of resolution to that effect? **Seems reasonable**
12. It is interesting that some of us have concerns about the degree of authority and responsibility homeowners have in a WSD but in the RSID option it seems like the County really calls all the shots. I wonder if the County would agree to some kind of Westside Homeowners Advisory Group to work with them in the RSID option helping identify priority areas, etc. **Yes, the county collects the revenue to pay off the debt through property tax bills but the people within the RSID control what gets done. Details of improvements and maintenance are established and altered by County resolution, and these resolutions may be able to specify an advisory group. But if sewer infrastructure is build, the county cannot change the fact that the debt needs to be paid.**
13. Are there ways available to get longer term financing to help reduce homeowner costs? Could the County, for example, set up a 50 year repayment plan? **No**
14. Assume a WSD was set up and someone in the district but outside area being currently worked on had a septic system failure. Would the WSD be responsible for helping the homeowner find a solution? If the homeowner wanted at that point to hook up with the City, would the City be directly involved or would the WSD be responsible? This raises the question of homeowners' ability to opt out of a WSD or RSID. If a homeowner decides for whatever reason (septic failure, wanting to get the process behind them, cost considerations) that he/she wants to be annexed, will the City allow that? Will the WSD allow that? Will the RSID allow that?
RIDs and WSDs allow property owners to be included within the boundaries, at the discretion of the Board of County Commissioners. If a property owner wishes to be removed, this action is also at the discretion of the County Commissioners.
15. Under either scenario, we would ultimately be hooking up to City of Helena services. I assume that means the City would have to approve any plans? In that process it is going to be important to be able to separate costs of providing the water/sewer service from costs that the City should pay to upgrade their systems and/or anticipate further development. Under a WSD we would, I'm sure, be hiring our own engineers (and attorneys). Under a RSID can we get a commitment from the County to protect homeowners from the City passing inappropriate costs on to us? Is there a statute covering this? Can we get the City to acknowledge its responsibility to follow the law as projects proceed? **The infrastructure (water or sewer) will be connected to city services and will have to meet city specs for design and construction. This would be the same if a private developer built a new subdivision and connected to city services. Once hooked into city services you are under the same rules and pay the same monthly rates (vary depending on household usage) as the rest of those living in the city. The only thing that may specifically impact new users is a change in the hookup fee. The county cannot control decisions made by the city commission.**
The city does require annexation with a connection to the infrastructure. The city also follows all laws for all of the processes we administer.
16. As phases of the WSD are completed, homeowners would be connected to City water/sewer and liable for the fees. Would they pay directly to City or pay to WSD which would pay City? If water/sewer fees are paid directly to City, would homeowner still have to pay the WSD fee? Does that change depending on whether property is annexed? **Once connected to city services you pay the monthly service fee. Debt for the improvements will still need to be paid to the WSD as it is established by resolution.**

There would be a two part bill, one to the district as described, and one to the city for the monthly usage.

17. Not really a question, but before there is a discussion with larger homeowner group I think the whole issue of WSD membership fees needs to be fleshed out. There has been discussion of \$5 per month but if grant writers, engineers, attorneys, and clerical/administrative personnel are needed, I think it will be a lot more. People need to understand that this fee will be assessed when the WSD starts until, I guess, the work of the District is completed, a period of 10-20 years. So, for example, people will be paying the fee long before, and/or long after work on their property is completed. **Additionally, they will be paying the cost to hire a bookkeeper to do all the billing and keep the records.**
18. What do the City and the County think about developing sewer services, but not water, initially? Clearly the septic is more urgent and important from an environmental point of view. The City might have bought a lot of good will a couple of months ago if it had backed away from the water issue and thereby cut the cost in half. Maybe work to get sewers in under WSD or RSID and leave water question to next generation of homeowners. **The county does not have an opinion on this except to agree that wastewater is the issue of concern.**
Water and Sewer would be required as a comprehensive project and once complete annexation would occur. A comprehensive project would take advantage of one time mobilization of equipment and construction/disturbance to the neighborhood.

NOTE: The questions from the group are in black & red; the answers in black bold text are from the county; and the answers in blue are from the city.

Valerie Wilson also submitted additional questions; however, staff believes some of her questions are included in the above answers. Manager Alles stated the same message is being given, if you receive city services the property will eventually be annexed.

Mayor Smith asked if the county commission has received a copy of the questions. Manager Alles noted county staff provided the answers in the black and he believes the county commission did receive a copy of the questions.

Commissioner Ellison stated he appreciates the memo, the answers were accurate.

Commissioner Elsaesser asked if this sewer district is created; is there a negative to the city. Manager Alles explained if the district is created, more than likely they would use city water/sewer and would not preclude the city annexing the property. He does not see a down side if the district is created.

Mayor Smith stated the city wants to hold firm to the direction if the property owners receive services, the property will be annexed. Another point of discussion is when street improvements will be required. The city has always been willing to work with property owners when requiring additional improvements. The development agreement is an important document as it would include a waiver of protest for infrastructure improvements.

Manager Alles noted other infrastructure improvements can be addressed through the development agreement. He referenced the city installing water and sewer services to the Woodland-Dunbar area and not requiring the streets be improved or the installation of sidewalks. One difference is with the west side properties, the city is to bring the road surface back to the condition it is currently in. At this time, the estimated cost per property is \$20,000 to \$25,000 and the city is not going to tack on an additional \$5,000 and require sidewalks at this time.

Mayor Smith stated the residents on the west side should take comfort in what the city did with the properties in the Woodland-Dunbar area; it has been eight years since the improvements were installed and no further discussions has occurred for other improvements. Manager Alles noted the cost to each property owner in the Woodland-Dunbar area, when the water/sewer was installed, was approximately \$42,000 per property.

Commissioner Elsaesser stated the Woodland-Dunbar area also included the retrofits for water and sewer; the west side project is just installing the water and sewer mains. Community Development Director Haugen explained the costs were for the extension of water/sewer main lines, there was a grant that paid for other portions of the project.

Commissioner Haladay asked what the process is if the residents move forward with the sewer district as the city commission is scheduled to re-consider this in April 2016. Manager Alles stated he is not sure where the property owners are in requesting a sewer district. His best guess would be it will take another four or five months before a sewer district could be created. If they are looking at applying for grant funding through the State, those grant applications are due in April/May of 2016.

Commissioner Haladay stated he wants confirmation the city will have no participation in applying for grants. Manager Alles concurred; city staff can work with them, however, they will not prepare the grant.

City Engineer Leland explained the property owners from the west side will be requesting a letter stating the city will provide water and sewer services. Commissioner Haladay stated it is up to the property owners to contact the city and not vice versa.

Mayor Smith asked what the city's involvement, if any, in the creation of a sewer district. It would not be a good idea for city staff to assist in applying for a grant; the information is available for the public to access.

Commissioner Haque-Hausrath stated the county grant coordinator could assist the property owners with the grant application. She would assume the county commission would support county staff assisting the residents.

Commissioner Elsaesser stated he would like to see the west side property owners apply for and receive grants to assist with the infrastructure costs. He would like to see these residents hook into city services and eventually annex.

Manager Alles explained the value to the city was to apply for SRS funds, which required 50% of the area was already developed. This area would have qualified for the funds.

Mayor Smith asked if the SRS funds would still be available if and when the city wants to apply. Manager Alles stated as far as he knows the funds would be available, with or without the creation of a sewer district.

Commissioner Haladay asked staff to provide an update on whether the commission will be asked to consider the proposal in April of 2016 or table it once again.

City Attorney Jodoin noted the property owners will have to petition for annexation if they want to move forward with the creation of a water/sewer district. They are going to need city approval to hook into city services.

Commissioner Ellison stated he would be willing to move sooner than later with annexation, if needed.

Public Works

Project Management & Communication – Manager Alles referred the commission to the flow chart prepared by staff. There seems to be some discord on when staff communicates with the public, how we communicate with the public and when does the commission weigh in. The flow chart shows the process staff uses and he asked Engineer Leland to walk through a project process.

City Engineer Leland reviewed the project development flow chart and a list of the projects staff is currently working on. He spoke on how a project is identified, is it through long range planning, public/commission/staff or advisory groups.

Engineer Leland also referred the commission to the list of Public Works Projects; he asked the commission what they want regarding public input/communication on these projects.

Commissioner Elsaesser referred to Line 17, West Main Gas Tax project and noted it is listed again under stormwater projects; this is a simple example where the costs are not clear. It is his understanding the total costs for west main is potentially double of what is listed.

Commissioner Elsaesser noted the public was not initially engaged with the Front Street project and therefore, the costs were escalated with holding the public meetings. The challenge is to get public comment upfront to see if there is potential for partners and what everyone would like to see. He also noted he has heard from residents on West Main that they were not included in the process. Maybe all the information is available, but the citizens do not know how to obtain it.

Engineer Leland reviewed the process on how staff developed a basic section of the West Main project; including guidance from the commission and public input. With this project, there were limitations on how it could be designed as there is only a limited amount of right-of-way. The commission gave

guidance and direction to staff on the design of West Main. In addition, NMTAC submitted a recommendation.

Commissioner Haladay stated the reason he brought this up is to discuss best practices on how we communicate this information on these projects to the public. How do we do a better job in communicating to those affected and to the general public. His recommendation would be to build a repository of information/documents for everyone to review.

Commissioner Haladay suggested staff may want to start the process earlier with outreach and promote the information. Mayor Smith stated there may be other ways to communicate an upcoming project.

Commissioner Haque-Hausrath stated she likes the idea of having an information repository on the web page, this would alleviate a lot of these concerns. It should be easily accessible, with project information from conception to completion.

Engineer Leland noted all the public works projects are currently on the web page; in which he pulled up and showed the commission what information is available. Citizens have the capability to submit comments on the specific projects. Manager Alles noted there is room for improvements on how to educate the public and adjacent property owners on specific projects. Manager Alles referenced the Front Street project that originally started as a stormwater project; however, it is now a totally different project.

Commissioner Elsaesser stated the crux of the issue is the commission hasn't always received the information; it is nice to know it is now available on the web page.

Mayor Smith asked if the information on the web page is enough information. Commissioner Elsaesser stated this is a great start; however, there is always room for improvement.

Engineer Leland noted there is a limited amount of room on the web page for information. This is an issue that would need to be addressed through IT&S.

Engineer Leland reported bids for the Joslyn/Country Club intersection and Centennial Trail West were opened on October 27th. The bids came in approximately at \$200,000, for engineering and construction, on the Joslyn/Country Club intersection.

Commissioner Elsaesser commented he would like to move forward with a standardized cover letter that would include all the information the public would like to see. The current format could be improved with some additional information. He thanked staff for providing this information on the web page. Mayor Smith stated the information has been available for some time. It may be necessary to request additional space on the web page.

Commissioner Elsaesser referred to his recommendation for Public Engagement and Transparency Provisions for the City of Helena, dated January 12, 2015.

Manager Alles stated the current process is close to what the commission is asking for; however, staff will look at how to make it more accessible for the public and with some additional information. The document repository is an important part of the information. The information has to be updated in a timely manner.

Commissioner Haladay concurred the information is available, he would like it more accessible where citizens could find the information more easily. It is important to keep the information updated.

Commissioner Elsaesser referred to the original plans for Front Street project; there was a good vision and design to make a safe crossing across Neill Avenue. There were a lot of good green concepts, and saying it is a ditch, parking would have to be removed and access to businesses would be cut-off put in place for a false decision to the property owners.

Mayor Smith stated he does not recall the commission having an in-depth discussion on how the commission wants Front Street designed, specifically adopting the recommendations of the Greening America's Capital Plan. Mayor Smith stated he looks forward to the discussion on when the commission approves or disapproves the stormwater being brought above ground on Front Street.

Commissioner Haque-Hausrath stated she would support some formal adoption of the Greening America's Capital Plan. On the surfacing of water, the commission did give direction to include that option in one of the bidding documents. Additional discussion was held on the conceptual design on Front Street and how it will move forward for commission consideration.

Engineer Leland reported the 2nd public meeting on Front Street was just held; the consultants are getting all the public comment compiled and will bring forward a design recommendation for

commission consideration. The commission will be asked to approve the concept design prior to anything being finalized.

6. Committee discussions

- a) Audit Committee, City-County Board of Health, Civic Center Board, L&C County Mental Health Advisory Committee, Montana League of Cities & Towns – No report given.
- b) Audit Committee, Board of Adjustment, Helena Chamber of Commerce Liaison, Information Technology Committee, Transportation Coordinating Committee — No report given.
- c) Non-Motorized Travel Advisory Board, Transportation Coordinating Committee – No report given.
- d) ADA Compliance Committee, Business Improvement District/Helena Parking Commission, City-County Parks Board, Montana Business Assistance Connection – No report given.
- e) Audit Committee, City-County Administration Building (CCAB), Public Art Committee – No report given.
- f) Helena Citizens Council – No report given.

7. Review of agenda for November 2, 2015 City Commission meeting –

Curbside Recycling - Commissioner Haque-Hausrath noted that last week's IR article asserted that City Manager Alles stated that the commission had not officially acted to provide the curbside recycling subsidy. However, the commission reached consensus on at least two occasions to subsidize the biweekly recycling so that it costs \$6.95/month. Does the commission need to do anything else officially to document the commission's previous decision to provide the support for recycling.

As discussed, by not paying for blue bags and properly accounting for compost and recycling tipping fee revenue, we have \$72,000 per year available for funding recycling with no changes to our budget. Therefore, to clarify the IR article, the subsidy is not from surplus, and instead is available within our existing budget.

The contract that is on the November 2nd city commission agenda does not discuss potentially making monthly recycling available in one year (January 2017). Commissioner Haque-Hausrath recommended including some language in Section VI stating that the City expects to evaluate and negotiate monthly recycling after one year, if feasible.

Commissioner Elsaesser stated the contractor expressed willingness to provide a once a month option for eligible city residents within a year. It was specifically included in negotiations and was part of the agreement in our meeting materials last Wednesday. This is an important provision that ensures our residents will have a service option that is more affordable and provides adequate service for some residents for whom twice a month collection would be wasteful. He suggested we simply restore that language for the once a month option per the agreement worked on by staff and the contractor over several meetings. A timeline provision for this language that simple states that the once a month service option must be provided by the contractor by January 2017 more than provides the time the contractor requested to establish a way to track customers through this arrangement. Without this policy goal, the city or city commission may not be in a situation to know the feasibility of this important option. If it turns out to be unfeasible for unforeseen reasons, there are provisions for amending the contract that will allow both parties to address any specific challenges. Starting off, we should not abandon this negotiated provision for which we are already allowing a one year delay.

It may help the contractor and the city track who is eligible for and enrolled in the curbside program by using the city residential permit/permit numbers. These permits are already tied to a specific eligible address and could be used to verify eligibility for addresses and individuals. While a lost permit may be replaced and a property assigned a new number, the permit is likely to be more up to date and easier to track than all of the personal household data otherwise required in the contract. This could also help with the city goal of being able to provide different levels of trash service within six months or by the start of the new fiscal year. The related renter permit may be a useful mechanism for recycling services sought by renters who are not necessarily in charge of the transfer station permit. Using the permit number might simplify the verification process, allow for future service levels to specifically tie actual trash and recycling costs to households, and better protect personal data.

This commission should uphold the intent of providing the once a month option to set the policy direction to provide that level of service. Especially when this arrangement includes a formal or informal commitment by the city to eliminate the once a month limited collection blue bag program (the historic program provided by the city as part of the promise to include curbside collection as part of an integrated solid waste management system). We should discuss using the well-established permit system that accurately tracks household use of services for most of greater Helena.

City Manager Alles stated the commission direction is clear to provide \$4/month offset to the \$10.95/month charged by Helena Recycling for curbside service; no further action by the commission is necessary.

Blue Bag savings of \$25,000, will directly benefit the curbside program because those "costs" are charged directly to Residential Solid Waste; just like the curbside program will be. The primary source of that fund is the \$189/year reflected on the residential tax bill. The "compost and recycling tipping fee revenue" will benefit the "joint" (for lack of a better word) recycling operations for the benefit of City and Scratchgravel/County (i.e. remote sites, transfer station recycling) because the source of those funds is the Transfer Station tipping fee charged to both City and Scratchgravel operations and the direct payment from Scratchgravel AND Residential Solid Waste. Those funds cannot be used for the curbside program.

It is also clear that our (City and Helena Recycling) intent is to offer monthly curbside service within one year. Section VI on page 27 of the packet gives us the ability to do that.

Commissioner Haque-Hausrath clarified the \$50,000 less that the residential solid waste (funded by the \$189/year assessment) will now pay into the joint recycling fund, based on proper accounting for composting/recycling tipping fees. So the current residential solid waste budget has an additional \$50,000 per year unaccounted for that can be spent on curbside recycling with no impact to our residential rate payers. This is in addition to the \$25,000 from discontinuing blue bag program.

Commissioner Haque-Hausrath reiterated that it is important there be language in the contract that both parties intend to re-evaluate monthly recycling pickup.

Attorney Jodoin stated the agreement is a reimbursement agreement and not a service agreement. A service agreement will require additional specific language on what the city and Helena Recycling would be responsible for. He cautioned the commission in requiring specific language be included in the reimbursement agreement, as it would then become a service agreement.

Commissioner Elsaesser stated his concern is there is no mechanism for a re-evaluation. City Attorney Jodoin stated there is nothing stopping the commission and Helena Recycling from reevaluating the service in 12-months. If Helena Recycling says he cannot do it, does the city want to mandate it or not.

Mayor Smith stated he believes the city needs to reevaluate it in 12 months, as requested by Helena Recycling. Commissioner Elsaesser continued to express concerns with no mechanism to reevaluate the service when the city is providing some benefits to Helena Recycling. He recommended a provision be included in the agreement that monthly service will be reevaluated in 12-months.

Mayor Smith stated the original agreement could be modified if there was commission direction for monthly pickup.

Commissioner Ellison referenced the following language: *Section III – Term of Agreement: This Agreement is effective upon execution by both parties and shall be in full force and through January 2, 2018, unless previously terminated as herein provided. As the end of the term, this agreement is automatically extended each year until 2022, unless either party is notified in writing and within ninety (90) days of the end of the applicable agreement term of its intention not to extend the term for the next calendar year.*

Commissioner Ellison stated he is troubled by the language that it states the contract will go through the year 2022. It is his understanding that the contract would be reviewed in one year to include monthly service. He also noted the agreement does not specifically give what the cost will be to the customer. He would like to know what the cost to the customer as the commission has discussed offering a subsidy to those who sign up for the program. However, he will not support a subsidy as he does not believe everyone should pay toward those who choose to sign up for curbside recycling.

Manager Alles stated the authority exists for the City of Helena to pay Helena Recycling \$10.95 per customer per month. What the commission decides to do with the subsidy will not affect that price and the agreement for service will be between the citizens and Helena Recycling.

Attorney Jodoin stated staff will bring forward a rate resolution that will include the subsidy. Manager Alles noted the agreement needs to move forward so John Hilton, Helena Recycling, can order the containers.

Commissioner Ellison asked if the term of agreement precludes the opportunity to reevaluate the monthly service. Attorney Jodoin stated he does not believe the agreement would preclude reevaluating the monthly service.

Commissioner Elsaesser advocated including language in the agreement to reevaluate monthly service.

8. **Public Comment** – No public comment received.
9. **Commission discussion and direction to the City Manager** – No discussion held.
10. **Adjourn** – Meeting adjourned at 6:00 p.m.