

SUMMARY OF ADMINISTRATIVE MEETING
February 17, 2016– 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, Farris-Olsen, Haladay and Noonan were present. Staff present was: City Manager Alles, Executive Assistant Sarah Elkins; Community Development Director Sharon Haugen; City Attorney Thomas Jodoin; Assistant City Attorney Iryna O'Connor; Police Chief Troy McGee; Fire Chief Mark Emert; Public Works Director Randall Camp; Assistant Public Works Director Phil Hauck; HATS Supervisor Steve Larson; Parks & Recreation Director Amy Teegarden; Administrative Services Director Glenn Jorgenson; Human Resources Director James Fehr; Zoning Officer and ADA Coordinator Elroy Golemon; Community Facilities Director Gery Carpenter; Water/Wastewater Superintendent Don Clark; and City Clerk Debbie Havens.

Others in attendance included: HCC Representative Dick Sloan; YWCA Executive Director Kellie MacBride; Robbie Culver; HATAC members Deborah Swingley and Jaymie Sheldahl; Jessica Pederson; and Les Clark.

2. February 3, 2016 Meeting Summary – The February 3, 2016 administrative meeting summary was approved as submitted.

3. Commission comments, questions – Board Appointments – There are no board appointments on the February 22, 2016 city commission meeting agenda.

Commissioner Haladay referred to an email from Dick Thweatt regarding the Citizens for a Better Flathead v. Flathead County and the request the City of Helena join Whitefish and Kalispell in requesting the Montana League of Cities & Towns consider filing an amicus curiae brief supporting the district court's decision holding that Flathead County arbitrarily and unlawfully rezoned land along Highway 93 in a manner incompatible with Whitefish and Kalispell growth policies and zoning.

Manager Alles noted he has spoken to Tim Burton, Executive Director of the MLCT and he has been in discussion on whether the League should become involved. At this time, he has not heard back from Mr. Burton. The timeframe to file is in April.

Commissioner Haladay asked if there is interest in sending a formal letter requesting the League to file the amicus brief. Manager Alles noted in his initial discussion with Mr. Burton there was discussion on mandamus, whether or not this case would be beneficial to local governments.

Commissioner Farris-Olsen stated he believes it is important the city of Helena takes a stance on re-zoning outside the city limits. He would support submitting a formal request to the Montana League of Cities and Towns.

Commissioner Ellison noted Dick Thweatt is an expert in land use and his request sounds reasonable; therefore, he too would support submitting a formal request. Mayor Smith concurred with Commissioner Ellison's comments.

Commissioner Noonan noted at this time the city of Helena and Lewis & Clark County commissions are on good terms; however, that can change and zoning is an important issue. Therefore, he too would support submitting a formal request to the Montana League of Cities and Towns.

There was commission concurrence to have Manager Alles to keep them apprised of the situation and then make a final decision on submitting a formal request.

Commissioner Farris Olsen referred to an email the commission received from Kristen Kolman regarding the quiet zone and asked for an update.

Manager Alles stated KLJ Engineering is completing the final engineering and staff will bring it back to the commission for final decisions in March and hopefully go out to bid in April. Manager Alles is hopeful construction would begin this summer.

Commissioner Noonan noted he had responded to Ms. Kolman's email.

4. **City Manager's Report –**

Public Water Source Safety Overview – Public Works Director Camp reported The City of Helena's drinking water meets or exceeds all federal drinking water standards. As for concerns of lead in Helena's drinking water, the lead levels are below the safe drinking water standards and have been that way since the Lead and Copper Rule started in the early 90's. Helena's water distribution system has been sampled for lead as required since the start of the drinking water requirement. Lead primarily comes from the leaching of private service lines in the distribution or household plumbing. Water can and will corrode the pipes allowing the lead from the service lines to be leached into the water. The amount of lead in the water is a combination of a corrosive water and time in contact with lead pipes. Most of the issues nationwide come from the wide spread use of lead pipe as service lines in household plumbing. Lead lines are no longer allowed in distribution systems. Some systems on the east coast and in the mid-west have close to 80% lead service lines. The City of Helena has less than 10% lead service lines. When and if the City of Helena encounters a lead service line on a water main replacement project, the City replaces the line to the curb box and the owner is notified about the lead line and encouraged to replace the whole service line from the curb box into the house. In other cases, the homeowner is responsible for the entire length of the service line from the main (HCC 6-2-3 Rule 7).

The City of Helena also does corrosion control treatment at both water treatment plants. The City of Helena's most corrosive water is the Ten Mile water. The City has been providing corrosion control treatment since the filtration plant was constructed in 1991. Corrosion control is the best way to prevent lead from leaching from the service line into the water short of removing the lead service lines altogether.

As part of the safe drinking water requirements, the City of Helena samples from customers taps. These sites are picked using EPA criteria that select the most vulnerable sites in the City such as an old home that may have a lead service line, internal lead pipe, or lead solder used on the household plumbing. The sampling requires the sample to be a first flush after 8 hours of not running the water in order to give time for the water to be in contact with the lead service lines.

If people are still concerned about lead levels from their taps, they should check what kind of service line, and type of household plumbing they have installed from their curb-box into and throughout their house. All lead service lines should be replaced by the owner. If lead pipes were used, they should let the water run for a minimum of 3 minutes, if the water has not been used for several hours, before taking a drink directly from the tap. Additional options would be to use a point of use filter. Bottom line is the City of Helena is doing everything possible to mitigate the exposure of lead to the customers through the drinking water system as shown with the sampling results. The last round of lead sampling was at a maximum 4 ppb (parts per billion) - for the 90th percentile of 30 samples taken. Well below the EPA established MCL (Maximum Contaminate Level) 15 ppb for the 90th percentile of 30 samples taken. Samples taken in Flint, Michigan ranged between 27 ppb to a high of 13,000 ppb – well above the EPA established MCL.

Superintendent Don Clark stated the city of Helena is in good shape; however, he continues to monitor the situation and has been pro-active in addressing any issues.

Commissioner Ellison asked how a resident would know if they have a lead water pipe in their house. Director Camp noted there are home lead tests that residents can do and lead pipes are soft and if you scrape them, some will peel off.

Mayor Smith asked is there concern with the transmission pipes from the Tenmile Treatment Plant. Director Camp stated he does not believe that would be a concern. Mayor Smith noted the information brochure will be sent to every city water customer in June. Director Camp concurred.

ADA Transition Plan: Stakeholder Meeting Overview, John McGovern, REC – Manager Alles introduced John McGovern, who gave an overview of the ADA Compliance Transition Plan. Mr. McGovern complimented city staff for the work they have done and are committed to making the city facilities accessible.

Director Haugen noted Mr. McGovern and his staff has been great to work with; city staff has learnt a lot and there is a commitment to address the identified issues.

Les Clark, MILP, stated they are very impressed with the transition plan. Deborah Swingley applauded the work Mr. McGovern has done. She recognized it does take time to accomplish.

Commissioner Farris-Olsen stated he attended the public listening session and those who use the services want to be more involved in moving forward. This would be a gesture of goodwill for city staff to involve community members.

Director Carpenter stated city staff is committed to work with citizens on identifying the needs and priorities of the community.

Director Teegarden echoed the comments of Director Haugen; staff is committed to taking this endeavor on and begin working on specific projects/funding.

Mayor Smith noted in the past there was a plan to reduce the city's energy consumption and he sees this project similar to proceeding along the same line. Director Carpenter noted the dollar figure is a relevant figure; however, staff will begin to look at the transition plan and implementing the recommendations. The ultimate goal is to make this the best community for those we serve.

Mayor Smith noted the commission would like periodic updates. Commissioner Haladay stated at some point the commission will need to discuss funding for these projects. He would like to know legally, if there is room to form a special improvement district for the purpose to fund ADA projects. This would put less pressure on the general fund. Manager Alles noted he will research the possibility and report back to the commission.

Mayor Smith asked Mr. McGovern for an example of a no cost/low cost project that could be done. Mr. McGovern noted recognizing and improving the layout of meeting rooms and offices to make them accessible.

5. Department Discussions:

City Attorney

Surplus Ordinance – Manager Alles reported staff is recommending changing our surplus personal property ordinance to allow the city Manager to determine the method of disposing of personal property with an original value of less than \$5,000 (capital asset minimum). Currently the commission is supposed to approve disposal of any personal property. The goal is to simplify the process for departments needing to dispose of non-capital items with little or no value. The proposed changes are shown in the draft ordinance.

Historically, we have disposed of most capital assets by trading them in for new equipment or disposing of them at the state auction. The city has used other processes for small equipment such as garage sales at the city shop, on-line auctions, and disposal of there is no value. The garage sales and on-line auctions have not functioned well and have been discontinued.

The main change will be to first attempt to recover any value the city can using trade-in or resale. If there is no market the City Manager would then have the ability to donate the property to another government or non-profit organization. If the items are considered to have no value and we can find no one that wants them, the City Manager can authorize disposal at the landfill.

Staff believes the proposed changes will simplify the process while maintaining good internal controls over city owner personal property.

Commissioner Ellison stated the ordinance looks good and the proposed ordinance would help streamline the system.

Consensus Direction to Manager – Bring the ordinance forward to a city commission meeting.

YWCA Loan Agreement – Attorney Jodoin reported The YWCA of Helena has recently completed renovation of their 100+ year old building at 501 N. Park Avenue. This \$2.4 million project provided ADA accessibility including the installation of an elevator, upgrades to electrical and plumbing systems to meet code, and general remodeling to accommodate clients of the YWCA with safe, clean, and secure surroundings. 26 resident rooms are now available to serve homeless women and their children. A newly remodeled administrative area better serves the WINGS program to provide counseling and social services with an objective to bring independence through permanent housing and jobs to the clients served. A bright and upgraded shared kitchen area makes the facility feel much more like a home environment.

In 2008 the city commission authorized the loan of \$25,000 of CDBG program income funds to the YWCA. The purpose of the loan was to assist in paying for a boiler in their facility. The terms of the promissory note call for full payment of the \$25,000 loan at the end of the 20-year term (December 19, 2028). A copy of the promissory note and mortgage were included in the packet.

In order to achieve the goals set for this rehabilitation, the YWCA spent a number of years acquiring grants and community support to be able to afford this costly rehabilitation. Grants received,

sponsored by Lewis and Clark County were a CDBG Public Facilities Grant, a CDBG Housing Grant, and a HOME program grant. The Treacy Foundation was instrumental in providing contributions to the project as were many other local businesses and individuals. Extensive fundraising by YWCA personnel and board members has been undertaken to meet the shortfall of funding. Additionally, the YWCA entered into an agreement with a Historic Tax Credit Investor who will contribute to the project in exchange for State of Montana and Federal Historic Tax Credits and other benefits.

The basic structure of historic tax credits involves a partnership between the owner of the structure and an investor. The investor contributes to the certified rehabilitation of the historic structure. In exchange for that funding, the investor obtains a legal property interest (a 5 year lease) and the right to the historic tax credits. No management of operational duties are taken from the existing YWCA operations. It is the process of securing those Historic Tax Credits that has led to the close examination of the title of the YWCA. In order to satisfy the requirements of the final agreement with the investor, he is asking that his interest in the transaction not be encumbered by debt. Fortunately, the City of Helena is the only debt currently on the title. Several scenarios have been suggested to eliminate the effect of that encumbrance on the investor's interest in the transaction.

With final costs of the rehabilitation project looming, it is critical that the YWCA be able to tap into the Historic Tax Credit funding but the investor will not release funds until this matter is cleared up. The YWCA would like to be able to close their Tax Credit deal in March. At this juncture the city's mortgage for the boiler loan is an impediment to closing on the historic tax credit investment structure. While the preferred approach, from the YWCA's perspective is for the City to forgive the remaining balance of the loan (\$25,000), the following are two other scenarios that have been suggested by the investor as satisfactory alternatives to resolving this issue in order to proceed with closing:

1. The City subordinate its loan to the new lease.
2. City enters into a nondisturbance agreement whereby the City agrees not to terminate the new YWCA-investor lease in the event of default by the YWCA.

The deed on the property restricts the use to a women's shelter. City staff would like consensus guidance from the commission as to how it would like to proceed in this matter.

Commissioner Haladay asked what the exact source of the funding was. Community Development Director Haugen noted \$15,000 was from the homeowners' revolving loan repayment program and \$10,000 from the city of Helena administering CDBG and HOME grants; approximately \$1,000 per grant was put into a fund to assist with projects that would benefit the low to moderate income. Commissioner Haladay asked if there are restrictions on how the funds could be used. Director Haugen noted there were no restrictions on the \$10,000; the \$15,000 homeowners' revolving loan fund had no restrictions. However, there was the expectation those funds would be used toward the general benefit of the low to moderate income.

Commissioner Haladay asked upon receiving the full re-payment of \$25,000, would the \$15,000 back into a restricted fund and the \$10,000 would go into the general fund. Director Haugen concurred. Commissioner Haladay asked in regards to the restricted money, are there any restrictions with forgiving the loan. Director Haugen stated there are no restrictions on forgiving the loan.

Mayor Smith asked if the city has forgiven a loan in the past. Administrative Services Director Jorgenson noted it was a delayed loan repayment plan for Mr. Nicholson.

Kellie McBride, Director of the YWCA, addressed the commission and gave an overview on when the loan was given to the YWCA; it was for the purchase of a new boiler. Since then, the YWCA recently completed a major remodeling project, bringing the building into ADA compliance. In addition, the YWCA has put aside \$8,400 to repay the loan; however, their preference would be to have the loan forgiven. Ms. McBride thanked Director Haugen for assisting the YWCA on their projects.

Commissioner Farris-Olsen asked if there is an issue if the commission chooses to forgive this loan and not for another entity or business. Attorney Jodoin noted the threshold question is do they meet the purpose of the loan; which the YWCA does.

Commissioner Ellison recognized the work the staff at the YWCA does on behalf of the citizens of Helena. He then stated he is troubled some by forgiving the loan, as there are many non-profits in Helena that may see this as the commission choosing one non-profit over the other. However, he is not interested in having the YWCA pay the loan back and would like to find a way to accomplish that.

Mayor Smith asked what the circumstances were with the loan. Attorney Jodoin noted the YWCA at the time asked for a loan whether than a grant.

Commissioner Noonan stated he understands Commissioner Ellison's comments. He noted it is a very difficult decision to make a donation when a non-profit is in crisis. In this case, the YWCA took a pro-active approach and asked for a loan and is providing the services they initially indicated they would. If at all feasible, he would support forgiving the debt.

Mayor Smith asked for further explanation on Option 2. Attorney Jodoin stated the city would have the 2nd position on the mortgage on the property. The loan is not due until 2028 and the deed requires the property to be a women's shelter. If this option satisfies the investor and delays the decision to forgive the loan, he is okay with going with this option.

Commissioner Haladay asked how many requests has the city had to provide a loan from a non-profit. Community Development Director Haugen stated no requests for loans have been received; however, staff has received requests for grants. Commissioner Haladay asked if the grants are approved, what funds are used. Director Haugen noted there have been no grants awarded due to no funding available.

Commissioner Noonan asked what the request from Youth Connections was. Commissioner Ellison stated the request started around \$75,000 to \$100,000 and ended up around \$37,500 from both the city and county. The source would have been from the general fund and was not a loan. Mayor Smith stated it was for ongoing operations and not a specific project.

Consensus Direction to Manager – There was commission concurrence to forgive the loan to the YWCA. This item will be on the March 7, 2015 city commission meeting agenda.

Public Works

HATS/TAC Grant Application – City Manager Alles stated the commission discussed these items at length at the February 3rd administrative meeting. Since that meeting, he has confirmed with MDT the city commission is not obligated to submit the TransAde projects in the order recommended by HATAC.

HATS Supervisor Larson noted the commission will consider the following five items at the public hearings on February 22, 2016: MDT 5311 for Operating Grant; HATS FY2017 MDT 5311 Capital Equipment Grant; HATS FY2017 MDT 5311 TransAde funding; HATS Coordination Plan and HATS FY2017 MDT 5311 Grant Request Package.

Supervisor Larson noted this is the draft budget; it does not restrict the commission when reviewing the HATS budget during the budget hearings.

Deborah Swingley, HATAC, handed out copies of the MCA 7-14-112 and referenced Item 4. She also referenced the last discussion at the February 3rd administrative meeting and noted there are no administrative rules attached to the MCA.

Commissioner Haladay referenced page 97 of the commission packet and asked if it is staff's recommendation the city does have the qualifying need for the TransAde funds. Manager Alles stated yes. Mayor Smith stated this clears up some of the uncertainty on where the authority is on some of the grant funding.

Commissioner Ellison stated he is ready to move forward with submitting the city's grant, as we have done in previous years.

Commissioner Noonan asked what the length of the service being recommended by MILP and Capital Taxi. Ms. Swingley stated it was for one year. Supervisor Larson stated the proposal is for a "pilot project" to look at the needs and feasibility of the service.

Manager Alles noted the city has not received a formal proposal from MILP on how the "pilot project" would work.

Deborah Swingley stated she believes MILP would be happy to supply a more detailed plan on the "pilot project".

Consensus Direction to Manager – These items are on the February 22nd city commission meeting agenda.

Parks & Recreation

Parks Agreements – Parks & Recreation Director Teegarden gave a PowerPoint presentation on the types of agreements the parks department handles that include the following: use agreement, lease agreement, maintenance agreement, recreation program agreement, garden management

agreement, master use agreement, encroachment agreement, temporary construction access agreement and memorandum of agreement. She also showed the user groups to include: YMCA, Helena School District; Carroll College, Brewers Baseball, American Legion Baseball, Helena Community Gardens, Kay McKenna Youth Foundation, Prickly Pear Land Trust, and the BID.

Director Teegarden reviewed the various reasons to enter into the agreements and the park use fee schedule.

Commissioner Noonan asked if the conflict between two baseball teams is scheduling. Director Teegarden concurred and explained the expectations of the Brewers and their requirements of being a minor league team. American Legion is also working with the county to improve one of the fields at Ryan Park. The two teams are working together to work out a solution.

6. Committee discussions

- a) Audit Committee, City-County Board of Health, L&C County Mental Health Advisory Committee, Montana League of Cities & Towns – Mayor Smith – No report given.
- b) Mayor Pro-Tem, Audit Committee, Helena Chamber of Commerce Liaison, Information Technology Committee, Transportation Coordinating Committee – Commissioner Ellison – No report given.
- c) ADA Compliance Committee, Audit Committee, City-County Parks Board , Civic Center Board – No report given.
- d) Board of Adjustment, City-County Administration Building (CCAB), Non-Motorized Travel Advisory Board, Transportation Coordinating Committee – Commissioner Haladay – No report given.
- e) Business Improvement District/Helena Parking Commission ,Montana Business Assistance Connection, Public Art Committee – No report given.
- f) Helena Citizens Council – HCC Representative Dick Sloan reported the HCC supports and appreciates the commitment to YWCA. The HCC also supports the Florence Crittenton and YMCA; both provide great services to the community. The HCC will be voting on the relevance plan at the February meeting and they are developing input on the school district's plans.

7. Review of agenda for February 22, 2016 – No discussion held.

8. Public Comment – None received.

9. Commission discussion and direction to the City Manager

10. Adjourn – Meeting adjourned at 5:45 p.m.