

JOURNAL OF COMMISSION WORK SESSION
July 7, 2009

City Commission Work Session

Mayor Stebbins presiding

CALL TO ORDER: 5:30 p.m.

ROLL CALL: City Commissioners present: Dona Stebbins, Bill Bronson, John Rosenbaum and Mary Jolley. Also present were the City Manager, Assistant City Manager, Chief Prosecutor, Directors of Community Development, Fiscal Services, Park and Recreation, Planning, Public Works, the Assistant Library Director, Police Chief, Fire Chief and the City Clerk.

1. WATER CONSULTANT RECOMMENDATION

City Manager Greg Doyon explained the process used to review the proposals and select a consultant to assist with water rights review and acquisition. He reported that an additional step was added to the process because of the sensitivity associated with the Highwood project. He wanted to explain how he ranked the particular firm before moving for approval of entering into a contract. Mr. Doyon stated that Mike Jacobson was instrumental in the process and he appreciated all his help. The intent initially was to hire a firm to review potential water right acquisition proposals for the City. The City received one potential water right to purchase. He sent out an RFP for consultants and received five responses. WestWater Research withdrew its proposal after being asked if it could be released publicly. A team consisting of Commissioner Bronson, Coleen Balzarini, Mike Jacobson, and the City Manager, reviewed the proposals. They went through a process of ranking the proposals and reached a consensus. The top scoring consultant was PBS&J. At the end of the interview, PBS&J indicated that they had done some work on the Highwood Generating Station, specifically as a sub-contractor through Bison Engineering. Mr. Jacobson prepared a memo outlining exactly what it was that PBS&J was doing for that company. Mr. Doyon noted that PBS&J has two offices, one in Bozeman and one in Missoula. The office handling the Highwood project is out of Bozeman. The firm the committee interviewed had associates from the Missoula office that didn't have any engagement with the Highwood project. The committee felt that PBS&J would be the best choice and do the best work for the City. Mr. Doyon recommended that the Commission engage this firm. The next step will be to negotiate a contract price.

Commissioner Bronson added that all of the applicants were interviewed. The view of the committee changed some from the time of reviewing the proposals to when they actually met and interviewed. All of the firms were qualified to do the work. After interviewing PBS&J, he believes the committee had a higher comfort factor. PBS&J seemed to relate better to the process, they have a lot of experience with DNRC in terms of working with the water rights process. Commissioner Bronson stated that all of the consultants confer with one another. They are an interactive group of people.

Commissioner Jolley commented that only one offer to sell water was received, and asked if the scope of engagement was going to change. Mr. Doyon responded that one of the things learned

during the interview process was that a majority of the consultants talked about making sure the City was doing the level of research required within the vicinity before looking at the potential of buying a water right that would be difficult to transfer.

Commissioner Rosenbaum added that other aspects were drilling wells, conservation, storage and other options other than purchasing rights.

Mr. Doyon added the approach would be multi-pronged. He will keep the Commission informed of any recommendations before action is taken. The Commission concurred with proceeding with PBS&J, and for Mr. Doyon to begin negotiating a contract price.

Commissioner Jolley inquired about postponing Agenda Item 5. Fiscal Services Director Coleen Balzarini responded that the amount of the reservation doesn't change and doesn't get proved up until it is used. Some of the water is committed to Montgomery Energy, International Malting Plant and to Southern Montana. Ms. Balzarini also pointed out that there is a contract in place with Southern till 2016. Commissioner Bronson added that Item 5 is only talking about a point of diversion.

2. RECYCLING PROGRAM

Public Works Director Jim Rearden reported that this PowerPoint presentation is similar to what he presented to eight neighborhood councils. He was not able to present to NC 2. Mr. Rearden explained that he took a look at what dollars the City could accumulate with an assessment and what the City would use those dollars for. He explained that the Citizen's Convenience Center is a solid waste transfer site and recycling facility. Based on transfer usage, the facility is utilized 55% by City sanitation customers, 25% by Montana Waste customers and 20% by County residents. He stated that the center accepts cardboard, paper, aluminum cans, scrap metal, white goods (no Freon), plastics (1&2) are being accepted at Wal-Mart, motor oil, batteries, cell phones, cooking oil, fluorescent bulbs, and yard waste. Glass is no longer being accepted. There is also a re-use it area. He explained that glass is one thing that can be recycled over and over again. He read that all new glass products are made of approximately 25% of recycled product. So, nationwide there is a lot of glass being recycled. It is just not in this area because of the freight and distance to get it to processing facilities. Plastics (1&2) need caps removed and rinsed out. Paper is the number one item thrown away. America recycles more than two million pounds of paper daily. The closest paper processing center is in Calgary.

Mr. Rearden reported that the last Earth Day/E-Waste event was very well attended, producing 27 tons. He believes people are willing to pay a little bit to recycle.

In 2007, total tonnage hauled to the landfill from City collections was 39,750. Five thousand fifteen tons was from the Citizen's Convenience Center and, of that amount, 810 tons was recycled. The City is charged \$22.52 per ton, so the 810 tons diverted from the landfill saved \$18,241.

The City's primary goal is to eliminate the financial losses at the Citizen's Convenience Center that amounts to \$100,000-\$125,000 per year. The goals of the focus group were to provide the same or enhanced opportunities for recycling; to continue providing a transfer site option

(publicly or privately operated), to keep 20,000+ vehicles off of the highway to the landfill; and, to continue to provide other programs like the Christmas tree/seedlings and re-use it area. The goal is to reduce volume of waste land filled.

Further considerations of the focus group were to let private recyclers handle those products that made economic sense; provide recycling for non-economic items at the Transfer Station; provide yard waste/compost site (with possible WWTP sludge); determine the best collection sites; and, enhance curb-side recycle options for customers. Mr. Rearden proposed the private entities handle cardboard, paper, aluminum cans, white goods, plastics (Wal-Mart) and batteries; and that glass, motor oil, cooking oil, yard waste and the re-use it area be publicly operated.

Mr. Rearden reminded the Commission that the City purchased 20 acres for the proposed facility. The functions proposed at the site are a solid waste transfer site, hazardous waste depot, compost yard, Water Treatment Plant sludge drying bed, and also to maintain the re-use it area and Christmas tree and E-Waste programs. He believes the site offers opportunities to do some creative things in the future.

Mr. Rearden explained that the market for recyclables dropped. Assessing \$1.00 to \$1.50 per month per residence will allow the City to continue to provide recycling programs and a transfer site. In the 2009/2010 budget, he made an effort to try to separate the Convenience Center operations from the rest of residential and commercial collections and reviewed those proposed budgets.

Mr. Rearden compared the statewide public and private residential rates and communities that offer drop-off sites, as well as what the alternative are. The proposed \$1.00 per month assessment is projected to add \$238,824 in additional revenue. Mr. Rearden explained the uses of the assessment would provide the current level of transfer and recycling (private or public), provide additional drop-off sites with collection, provide hazardous waste collection events, education (staff, brochures, etc.), and subsidize glass recycling.

In conclusion, the community would benefit, as well as provide for a cleaner, greener community. Mr. Rearden requested authorization to proceed with a resolution.

Commissioner Rosenbaum requested clarification on some of the costs, public vs. private. Mr. Rearden responded that his personal feeling is the City should provide opportunities for citizens to recycle if they choose to and not be in the commodities market. Commissioner Rosenbaum suggested 10 years ago that the City should have a swipe card for residents on City service that would bill to their account. Others would pay for the costs.

Commissioner Jolley requested that Mr. Rearden find out first if a private company would want to do it and, if not, maybe the City would have to charge \$1.50-\$2.00.

Mayor Stebbins also requested more information before proceeding. Mr. Rearden reported that he was awaiting information and could possibly report again at the next work session.

3. INTERLOCAL AGREEMENT WITH THE CITY OF BILLINGS REGARDING INNOPRISE SOFTWARE

Fiscal Services Director Coleen Balzarini reported that the City's current business/financial package software is I-Series based and is close to 20 years old. There is a trend towards a more user friendly Windows-based applications. The City's current provider, Sungard, is moving towards a Windows-based application. However, it is five to 10 years out and estimated to cost \$250,000 - \$500,000.

Dennis Harward, former CEO of Sungard, approached the City offering his new Windows-based business/financial software at a lower cost to customers. His new company, Innoprise, is taking on new clients, many of which include former Sungard customers. The City of Billings was also a long standing customer of Sungard and recently signed on with Innoprise. Ms. Balzarini explained the Interlocal Cooperation Agreement between the Cities of Great Falls and Billings. The Interlocal Agreement is authorized pursuant to Title 7 of Montana Code Annotated. In these tough economic times, it will be advantageous to the City of Great Falls to take advantage of the work already done by the City of Billings. The City of Billings has already sent out an RFP, completed interviews and site visits.

I.T and various department staff members viewed two Innoprise demos and the reception has been very positive.

Ms. Balzarini requested, based on the offer from Innoprise, approval to proceed with the Interlocal Cooperation Agreement with the City of Billings. She reported that a small group would conduct site visits of customers using the Innoprise software. The offer from Innoprise is almost half of what the City is paying now. There will be an agreement with Innoprise to take over the maintenance of the existing software until the transition to the new software

Ms. Balzarini reviewed the cost analysis of what Sungard's maintenance agreements have been costing the City from 2007-2009. Innoprise is offering \$45,000 the first year to maintain the current software. Years two through six would be locked in at \$90,000.

Commissioner Jolley asked if there were any lawsuits pending because Mr. Harward left Sungard and started his own company and hired other Sungard employees. Ms. Balzarini responded that she did not know if there were any non-compete lawsuits, but could check. Mayor Stebbins added that it wouldn't have any impact on the City of Great Falls. Commissioner Bronson added that it varies from state to state.

Commissioner Jolley asked if this had to go out to bid. Ms. Balzarini responded the City of Billings has already done all that work and is willing to share that information.

Commissioner Rosenbaum asked if there were enough Innoprise users to get a good picture of what its success is. Ms. Balzarini responded that Innoprise has been in business for eight years. She would get an answer as to how many customers Innoprise has now.

I.T. Manager Jon Legan added that with the current software package, the City of Great Falls is relying on proprietary, IBM-based software. IBM's mainframes are very expensive. The new

software will require a Windows server at a cost of approximately \$5,000.

City Manager Doyon asked what the cost of the software was. Mr. Legan responded that it will be \$45,000 the first year. Software companies are not charging for software, but for yearly maintenance fees. Ms. Balzarini added that the City will save \$50,000 the first year.

Ms. Balzarini concluded that the same Interlocal Agreement approved by the City of Billings will come before this Commission, as well as the Innoprise Agreement on the next agenda.

ADJOURN

There being no further discussion, Mayor Stebbins adjourned the work session of July 7, 2009, at 6:50 p.m.