

# MINUTES OF THE CITY COUNCIL OF LAUREL

March 2, 2010

A regular meeting of the City Council of the City of Laurel, Montana, was held in the Council Chambers and called to order by Mayor Ken Olson at 6:30 p.m. on March 2, 2010.

COUNCIL MEMBERS PRESENT:           Emelie Eaton           Doug Poehls  
  Kate Hart               Mark Mace  
  Chuck Rodgers       Norm Stamper  
  Alex Wilkins

COUNCIL MEMBERS ABSENT:           Chuck Dickerson

OTHER STAFF PRESENT:           Mary Embleton       Bill Sheridan  
  Sam Painter           Kurt Markegard

Mayor Olson led the Pledge of Allegiance to the American flag.

Mayor Olson asked the council to observe a moment of silence.

Council Member Eaton brought a matter before the council for placement on the regular agenda as item g. under Scheduled Matters. Resolution No. R10-27 is for a Small Service Contract with Yellowstone Valley Tree Surgeons as part of the tree grant the city previously discussed. The matter has already gone out to bid. Public Works had given her the name of Patrick Riedl, but she did not have contact information so he was not provided with the opportunity to bid. Paul Bokoske, Trees of Eden in Laurel, had been offered this and turned it down as he has no equipment to do this kind of work. Poulson Tree Service was contacted on November 11<sup>th</sup>, 19<sup>th</sup>, and 26<sup>th</sup> and each time he promised to submit a written bid and fax it to her house so it could be included in the grant writing process. However, no bid was ever received. Yellowstone Valley Tree Surgeons was the only party that was interested enough to submit a bid. Council Member Eaton found out that Yellowstone Valley Tree Surgeons could have done the work last week, but there was no contract in place at that time. This is a time-sensitive issue that needs the council's decision.

Motion by Council Member Poehls to place Resolution No. R10-27 on tonight's council agenda as item g. under Unscheduled Matters, seconded by Council Member Hart. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

## MINUTES:

Motion by Council Member Stamper to approve the minutes of the regular meeting of February 16, 2010, as presented, seconded by Council Member Rodgers. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

Motion by Council Member Mace to approve the minutes of the special meeting of February 23, 2010, as presented, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

## CORRESPONDENCE:

Bright n' Beautiful: Minutes of January 20, 2010.

Morrison-Maierle, Inc.: Letter regarding Task Order No. 2 and Phase 2A2 Project.

Jack Roma: Letter of February 12, 2010, regarding right-of-way request.

Montana Municipal Interlocal Authority: Memorandum of February 11, 2010, regarding early EB rate adjustment indication for 2010-2011.

Revenue and Transportation Interim Committee: Memo of February 18, 2010 regarding Loss of Taxing Authority for Local Governments – Replace Protested Payments.



Yellowstone Valley Electric Cooperative: Letter of February 19, 2010 regarding annual meeting on March 23, 2010.

**PUBLIC HEARING:**

- Intent to adopt an official Schedule of Fees and Charges for the City of Laurel.

Mayor Olson asked Chief Administrative Officer Bill Sheridan to introduce the item to the council.

Bill Sheridan stated that staff has been working on the schedule of fees and charges for the City of Laurel for quite some time. He stated that there may be an adjustment to it with a need for a change relating to the city and county relationship.

Mayor Olson stated that there has been a discussion on one of the items on the schedule of fees and charges. On page 7 there was an addition, but at this time, staff has decided to pull that particular addition. Staff will check the ordinance to see if some modifications are needed to allow that to go forward. If the change is determined to be needed, the ordinance would be changed to reflect the position that the city would be best served and would be added at a later date. Mayor Olson stated that the schedule of fees and charges is correct.

Bill asked that the council consider the improved and official schedule of fees and charges for the City of Laurel and go forward with the approval so the fees can be put into effect for at least the next year.

Mayor Olson asked if the council had any questions. There were none.

Mayor Olson opened the public hearing and read the rules governing the public hearing.

Mayor Olson asked three times if there were any proponents. There were none.

Mayor Olson asked three times if there were any opponents. There were none.

Mayor Olson closed the public hearing.

The resolution for the schedule of fees and charges will be on the March 16<sup>th</sup> council agenda.

**CONSENT ITEMS:**

- **Claims for the month of February 2010 in the amount of \$464,544.51.**  
A complete listing of the claims and their amounts is on file in the Clerk-Treasurer's Office.
- **Approval of Payroll Register for PPE 02/21/2010 totaling \$162,610.09.**
- **Receiving the Committee Reports into the Record.**
  - Budget/Finance Committee minutes of February 16, 2010 were presented.
  - Tree Board minutes of February 10, 2010 were presented.
  - Health Insurance Committee minutes of February 11, 2010 were presented.
  - Health Insurance Committee minutes of February 19, 2010 were presented.
  - Emergency Services Committee minutes of February 22, 2010 were presented.
  - Health Insurance Committee minutes of February 23, 2010 were presented.
  - Council Workshop minutes of February 23, 2010 were presented.
  - Health Insurance Committee minutes of February 24, 2010 were presented.

The mayor asked if there was any separation of consent items. There was none.

Motion by Council Member Hart to approve the consent items as presented, seconded by Council Member Eaton. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

**CEREMONIAL CALENDAR:** None.

**REPORTS OF BOARDS AND COMMISSIONS:** None.

**AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT):** None.

**SCHEDULED MATTERS:**

- **Confirmation of Appointments:** None.
- **Resolution No. R10-24:** A resolution of the City Council accepting a right-of-way easement from Timothy J. and Terrie A. Casey for the West Main Street Project.

Motion by Council Member Poehls to approve Resolution No. R10-24, seconded by Council Member Mace. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Resolution No. R10-25:** A resolution approving Change Order No. 5 for Phase II of the Laurel Water System Improvements Project for the replacement of wiring and valves at the Water Treatment Plant and authorizing the Mayor to execute the attached Change Order No. 5 on the City's behalf.

Motion by Council Member Eaton to approve Resolution No. R10-25, seconded by Council Member Hart. There was no public comment or council discussion.

Mayor Olson asked Public Works Director Kurt Markegard to show the council some photographs that represent the reasons why the changes are needed.

Kurt stated that the pictures show part of the valving included in the change order, the condition of the water valve, and the reason it needs to be fixed. Some of the electrical boxes have been totally eaten away because they were not installed correctly when the water plant was built. The council viewed the pictures. The change order is needed to fix some things that were unknown until the piping was opened up.

Mayor Olson stated that it is always important for the council to have some validation for the expenditures needed to allow the plant to operate most efficiently.

A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Resolution No. R10-26:** A resolution approving the attached Task Order No. 17 authorizing Great West Engineering to evaluate potential sites and configurations for a bulk water station and to develop a cost estimate for construction based upon the findings and recommendations of the evaluation.

Motion by Council Member Rodgers to approve Resolution No. R10-26, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Ordinance No. O10-01:** An ordinance of the City Council of the City of Laurel, Montana, imposing a temporary moratorium on the opening, operation, and licensing of any establishments that grow, sell, or distribute medical marijuana, and directing the study of new proposed ordinances to regulate such establishments. First reading.

Motion by Council Member Wilkins to adopt Ordinance No. O10-01, seconded by Council Member Stamper.

Mayor Olson stated that he did not speak quickly enough. One of the things he thinks staff did not recognize was the difference between this particular ordinance and an ordinance which is put on for these particular instances. He asked Sam Painter to address the council.

Sam stated that this is not a typical ordinance as it is an interim ordinance. It does not have to go through the first reading, public hearing, and second reading process. The requirement is that a public hearing be held seven days before the council considers adopting the ordinance. No action should be taken on this ordinance tonight because a public hearing has not been held. March 16<sup>th</sup> is the proposed date for a public hearing, and Sam recommended that no action be taken until then. Notice of the public hearing will be published in the newspaper.

Mayor Olson stated the need to be able to have the discussion, and the only way to get the discussion was to bring it before the floor so it could be addressed. In light of the information given, Mayor Olson would entertain a request from Council Member Wilkins to withdraw his motion upon confirmation of withdrawal of the second.

Council Member Wilkins withdrew his motion and Council Member Stamper withdrew his second.

Mayor Olson stated that the motion was withdrawn for consideration at the next stated meeting.

- **Approve/Disapprove of Health Insurance Committee recommendation.**

Council Member Poehls asked what the council was actually voting on because it is not a resolution or an ordinance of any kind.

Sam stated that the Insurance Committee met and recommended a change in the insurance company or provider. The council action tonight is to consider approving or rejecting that request or recommendation. It will be done in the form of a motion, which is the same thing as a resolution. Since this is a city benefit, the council has the ultimate decision as to whether or not to change insurance.

Mayor Olson stated that the council normally goes forward with the affirmative, so the person would make a motion in the affirmative and then it would be the council's discretion as to whether to pass or fail.

Motion by Council Member Poehls to approve the Health Insurance Committee's recommendation of the medical insurance policies, seconded by Council Member Hart. Mayor Olson asked for public comment.

Monica Salo, 306 Joni Lane in Joliet, stated: "I have been serving the citizens of Laurel as your 911 dispatcher since 2001. I was appointed to represent Local 303 at the Insurance Committee last year. I previously worked for the City of Laurel Police Department in 1998 for six months and I came back full-time in 2001. One of the main reasons why I came back was because of the great benefits that the city has to offer. I asked to serve on the Insurance Committee because I wanted to help maintain our great level of benefits and I also believe that knowledge is power. I have been thoroughly satisfied with our current insurance, MMIA, but it really has come to a point where I feel personally I simply cannot afford any more increases. Blue Cross Blue Shield is offering a very rich plan with a significant rate decrease out of my paycheck. I just wanted to let you guys know that the Insurance Committee spent many, many hours and meetings and discussing our current insurance and the Blue Cross Blue Shield proposal. We listened to our fellow employees, the mayor, and the Insurance Committee council reps last week and the committee went ahead with a citywide employee and retiree vote. The ballots were counted on Monday, two days ago, with a 36 for Blue Cross Blue Shield, 31 for MMIA, and 1 non-vote. I just wanted to thank you for your time and for looking at all the information that we had."

Dave Waggoner, 419 Maple: "I think that if we take Blue Cross, it's in the papers. They are raising their premiums all across the country. We might get a good rate this year, but we could get zinged next year. MMIA has been pretty stable with their rates and they've got just awesome insurance and it doesn't compare to the Blue Cross 80/20. I just think we should keep it. Thank you."

Don Nelson, 622 Elm: "MMIA is a great insurance company, but this we received from Amanda Clark from MMIA, excuse me I gotta put my cheaters on. On February 8<sup>th</sup> of this year, our current rate indication for medical rates is 8 to 11 percent for the coming year. So they are going up as well. We were told through the grapevine, scuttlebutt was, they were claiming it was around 5 percent. This right here, that's 8 to 11. That's a big increase too."



Fran Schweigert, 402 Forrest: "Another thing we need to look at, too, is MMIA is good insurance. I have no problem with it. I feel the same way. I can't afford the rates though. But what actually is the city going to say by going to Blue Cross Blue Shield because with the union there is a \$700 cap on the single people. Anything that the rate increase goes up, that MMIA goes up, the city is paying for it. How much more expensive is MMIA compared to Blue Cross Blue Shield policy that the city is going to have to pay for? Thank you."

Michelle Steffans, 908 12<sup>th</sup> Avenue: "and work for the Police Department, have worked there for 16 years and pretty much have the same opinion that MMIA is good insurance, but it is to a point where I can't afford the increases that there will be if the council decides to go against what the majority of us want. I know we figured, broke it down in numbers today with the Police Department, and for us that have family or like the employee/spouse, if you guys go with MMIA, it's like taking 7 percent of what we make away from us. It's 7 percent of our wage is what the increase is going to be with MMIA, you know, to where with Blue Cross Blue Shield, it's a savings for us, so I just thought that was interesting that it's that. It's a big increase and we can't afford it."

Mayor Olson asked if there was any other public input. There was none. He asked for council discussion.

Council Member Wilkins stated that "as far as the Insurance Committee, I guess we had to, my feeling is we voted, we got 100 percent of the vote and the majority is for Blue Cross. I feel like I should take that into consideration as somebody who can do something about it or vote on it. I do think it will be a pretty big mistake in a year from now, but that being said, I hope I'm wrong . . ."

Council Member Stamper stated that "none of us have a crystal ball and that's been stated the health industry in this country, who knows what is going to happen. Insurance rates are going up. I've kicked this around. I've gone back and forth in my own mind, but I've got to agree with Alex, the employees voted. Although it's not a great majority, they do have a majority and I feel we have to honor that as well."

Council Member Poehls: "I put out an email response to Alex and I copied everybody that was on that, so some people have read those comments. But I also have to state that the risk is not the city's necessarily, because we have established caps to our policies. So in essence, the employees are voting their own risk because obviously the city has set a policy on our caps and that's what the city is going to pay. I made some other calls today . . . to a former employer of mine because at one time I went without insurance and another time I had to pay for my insurance and stuff like that. And I've been gone from that employer for awhile, so I asked some questions. The insurance that I was on before my current job has had the same increases that the city has and it's essentially a small insurance pool. But the increases have been in the same realm as what we have been talking about here with Blue Cross Blue Shield, 11 to 12 percent. And at that time, we paid out of pocket exactly what these employees are paying out of pocket. Per family we were paying \$500, thereabouts. So with that being said, the employees basically have voted their risk and I'm not sure we should argue that because they are going to take the risk here. And I pray that it doesn't change, that things don't go up, but that's not realistic, so in essence I do agree with Alex and Norm's position here. I'm not sure anything else could . . . I'm not sure I want change, but then I'm not sure it makes that much difference to the City of Laurel right at this time."

Council Member Mace: "I listened to the consultant and it didn't seem that there was much difference in any of the insurance between the two, so I took that into consideration. I guess I'm concerned that the city already has liability and property and work comp, which will be left with MMIA, so that's a concern. But the numbers are there that obviously the most employees want to change. I'm concerned, as a lot of us are, that insurance is going to go up. Mine goes up. I pay more every year. It's nothing new. I think it's going to keep happening until something is done, but that's all I have. Thank you."

Sam Painter asked the union reps present if both unions affirmatively voted for the change within their own union membership.

Don Nelson, 622 Elm, stated that "316 was a dead tie."

Michelle Steffans stated that "303 and it was unanimous to change, go with Blue Cross Blue Shield across the board."



Sam stated that the city has a contract with each union and basically has agreed not to change insurers, or coverage, without the consent of each union. He asked if the union representative had an opinion on a tie vote and if the city could expect a grievance of some sort if the council decided to go along with the employees.

Don Nelson, 622 Elm: "I couldn't even begin to guess what to tell you any more, Sam. I thought I knew what the heck was going on, obviously I don't. I don't know how with a tie you could get everybody together to vote to move a grievance forward and you are going to have the same problem. So I don't know what to say to that. I have no answers. I hope not."

Monica Salo, 306 Joni, Joliet: "I am the 303 Insurance Committee rep. We basically took a vote three different times and at the recommendation of the mayor and the city council insurance reps is why we decided it would be best if everybody had their vote. It was a ballot. It was not hands up. It was a written ballot that we started I believe it was last Thursday and we had 100 percent participation. The reason why we decided to do that was so that everybody could have their say. They wouldn't have to say it in front of a group, their own union, so I wasn't in favor of that at first. I believe that that's why you sent the reps to the committee. But after discussing and re-discussing, that's what we came to, and I believe that it was a good, fair vote for everyone."

Sam stated that he was not 100 percent comfortable with the one union having a tie vote, but that goes with the territory. That's about the strongest statement he can say defensible against a grievance if it is filed. It will be dealt with at that point because he thinks the city gave every employee equal opportunity to voice their concern and voice their preference. A committee was created that was represented by each and every group within the city. He thinks that the issue has been discussed, re-discussed, and everything has been out in the open and transparent. Ultimately, it is up to the council, and if there is a contract dispute, it will be handled with the union, depending on the council's vote.

Council Member Hart called for the question.

Mayor Olson stated that the question was called for and a voice vote was taken. The "ayes" and "nays" could not be identified, so the city clerk asked the mayor for a roll call vote.

Mayor Olson called for a roll call vote.

Council Member Wilkins stated: "We got 100 percent participation in the vote that ultimately the majority decided to go with Blue Cross. I don't see anything, and being a part of the committee, I don't see a recommendation from the committee. All I see is, all we're basing this off of is, so how can we, are we voting off of the recommendation of the committee or are we voting off of the recommendation of the employees?"

Mayor Olson stated that Sam was looking that up for clarification.

Sam stated that he read the minutes quickly. It was his understanding that the committee agreed to hold an employee vote (Alex stated that was correct). The second step was that the employee vote would be the committee's recommendation. Sam stated that he was asking an open-ended question.

Don Nelson, 622 Elm: "you are correct in that Sam. That's exactly what the committee did. Our recommendation would be the majority vote of all city employees and retirees covered by the MMIA insurance."

Monica Salo: "I'm referring back to February 24<sup>th</sup> Insurance Committee minutes. There was a motion by Chuck Dickerson, seconded by Bill Sheridan that the committee will meet at 4:00 p.m. on Monday, March 1<sup>st</sup>, to count the ballots and make recommendation to the city council that would be in accordance with the majority vote as cast by the city employees. The motion was carried 7-0. Does that answer your question?"

Mayor Olson asked Mary to read how the motion was stated in the record.

Mary stated: "Doug asked what the council is being asked to do. Sam said the Insurance Committee made a recommendation. Doug made a motion and Kate seconded it."

Sam: "we need to clarify the motion. Is the motion to . . ."

Council Member Poehls: “approve the recommendation of the Committee, which I referred to their minutes, which was the motion by Chuck, seconded by Bill Sheridan, that the Committee would meet at 4:00 p.m. on Monday, March 1<sup>st</sup>, to count the ballots and make recommendation to the city council that will be in accordance with the majority vote as cast by the city employees. And we were informed that majority vote was 36 in favor of Blue Cross Blue Shield and 31 for MMIA, with one abstention.”

Mayor Olson asked if any council member needed clarification on the motion.

Council Member Mace asked if the council was voting again.

Mayor Olson stated that the council called for a roll call vote for the adoption of the recommendation from the Insurance Committee.

Council Member Rodgers: “One question, Mr. Mayor. You are saying what the committee recommended that nobody has come out and stated, Blue Cross Blue Shield or MMIA. So is the committee actually stating Blue Cross Blue Shield?”

Mayor Olson: “In reference to the February 24<sup>th</sup> meeting they had, it was determined upon the overall employee and retirees’ vote that it would take that as their recommendation of 7-0, and I believe that the vote was as stated.”

Council Member Poehls: “36 for Blue Cross Blue Shield, 31 for MMIA, and 1 abstention, so the recommendation would be to change to Blue Cross Blue Shield.”

Council Member Rodgers: “but my point was it wasn’t shown as Blue Cross Blue Shield, so if they would have come out and said yes, Blue Cross Blue Shield . . .”

Council Member Wilkins: “just to clarify for everybody, the motion will be to approve the Insurance Committee’s recommendation to change to Blue Cross?”

Mayor Olson stated that was correct.

Mayor Olson asked if the council was ready for a roll call vote.

A roll call vote was taken with the following vote: Council President Poehls – aye; Council Member Mace – aye; Council Member Stamper – aye; Council Member Wilkins – aye; Council Member Rodgers – aye; Council Member Hart – aye; Council Member Eaton – nay. Motion carried 6-1.

Mayor Olson stated that the recorded vote was 6-1 in favor of the motion.

Mayor Olson stated that the city would be notifying MMIA tomorrow.

- **Resolution No. R10-27: A resolution approving the attached Small Services Contract between the City of Laurel and Yellowstone Valley Tree Surgeons for trimming and clean up of 10 cottonwood trees at Riverside Park.**

Motion by Council Member Hart to approve Resolution No. R10-27, seconded by Council Member Rodgers. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

**ITEMS REMOVED FROM THE CONSENT AGENDA:** None.

**COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT):** None.

**COUNCIL DISCUSSION:**

- Review of Monthly Reports: Police, Fire, Ambulance, and Code Enforcement: None.

Council Member Poehls stated that it is quite evident this is a democratic or republic form of government in action. The process the insurance issue went through was quite interesting. One statement that was not said is, regardless of tonight’s decision, employees have a very good insurance policy with the City of Laurel.



Mayor Olson stated that the consultant, Mick DiFronzo, recently said that they were two exceptionally good programs.

Council Member Stamper stated that the Cemetery Commission met last Thursday. The Commission is looking at a contract to do the flat work for the gathering area in the veterans' section of the city's cemetery. A bid has been received and another bid is expected. The Cemetery Commission will meet again this Thursday at 5:30 p.m. to make a decision to bring forward to the council. The flat work should be completed this spring.

Mayor Olson stated appreciation for the work of the Cemetery Commission.

Council Member Rodgers thanked everyone that was involved with the insurance issue.

Council Member Hart stated that she had exactly the same sentiments.

Mayor Olson stated that Resolution No. R10-27 is the culmination of a lot of work. He stated appreciation for Council Member Eaton's willingness to step outside the box and to volunteer to insure the City of Laurel that type of opportunity. The community will be better for it.

Mayor Olson stated that he echoed the council's sentiments. Serving on a committee is often difficult. Serving on a difficult committee can be very difficult, and he thanked the committee members for their time and work.

Mayor Olson will attend the Mayoral Conference on Wednesday, Thursday, and Friday. The conference provides an opportunity to speak to other mayors who share the same type of issues as the City of Laurel. He stated that Laurel seems to be on the cutting edge of a couple different things and other communities are right there with us and to see how they are doing will be great.

**UNSCHEDULED MATTERS:** None.

**ADJOURNMENT:**

Motion by Council Member Stamper to adjourn the council meeting, seconded by Council Member Mace. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

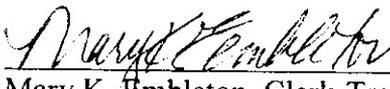
There being no further business to come before the council at this time, the meeting was adjourned at 7:21 p.m.

  
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Mary K. Embleton, Clerk/Treasurer

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 16<sup>th</sup> day of March, 2010.

  
\_\_\_\_\_  
Kenneth E. Olson, Jr., Mayor

Attest:

  
\_\_\_\_\_  
Mary K. Embleton, Clerk-Treasurer