

**MINUTES
COUNCIL WORKSHOP
OCTOBER 28, 2014 6:30 P.M.
COUNCIL CHAMBERS**

A Council Workshop was held in the Council Chambers and called to order by Mayor Mark Mace at 6:30 p.m. on October 28, 2014.

COUNCIL MEMBERS PRESENT:

<input checked="" type="checkbox"/> Emelie Eaton	<input checked="" type="checkbox"/> Doug Poehls
<input type="checkbox"/> Bruce McGee	<input type="checkbox"/> Richard Herr
<input checked="" type="checkbox"/> Chuck Dickerson	<input type="checkbox"/> Scot Stokes
<input checked="" type="checkbox"/> Tom Nelson	<input checked="" type="checkbox"/> Bill Mountsier

OTHERS PRESENT:

Heidi Jensen, CAO
Monica Plecker, Planning Director
Sgt. Mark Guy

Public Input (three-minute limit):

There was no public input.

General items:

- Appointments
 - Laurel Police Department: Justin Bickford

Sgt. Mark Guy stated that Justin Bickford is scheduled to start on November 5th, if the council approves the appointment on November 4th. Justin was appointed to the Laurel Police Reserves in 2009 and served for a year until employment took him elsewhere. In January 2014, he graduated from the Reserve Academy again and has been serving as a Police Reserve since. He completed the physical and written testing through the State Consortium. Sgt. Guy stated that Justin will be a positive influence for Laurel citizens.

- Laurel Ambulance Service: Darci Waldo

The appointment will be on the November 4th council agenda.

Executive Review:

- Resolution – City-County Planning Interlocal Agreement

Monica stated that the resolution is related to the Interlocal Agreement with Yellowstone County. The Laurel City-County Planning Department includes jurisdiction 4.5 miles outside of the city limits. The current agreement with the County dates back to 1976 when the City-County Planning Board was created. The Planning Board recently updated and adopted new bylaws. The proposed agreement, which has been reviewed by the County Attorneys and the City Attorney, basically mirrors the requirements of the City-County Planning Board in State statute. The agreement does not obligate any sort of monetary contribution. The County gives the Planning Department a certain number of mills every year to help with the functionality of the department, but this agreement does not include that level of specifics. The agreement says that the current structure of the City-County Planning

Board will continue. State statute will be referenced, but nothing changes as far as the functionality of the Board or the Planning Department.

Heidi explained that the need for an updated agreement has been one of the findings in the last four audits. This agreement will automatically renew every year and will finally get that item removed from the audit findings.

There was discussion regarding the newly-adopted bylaws, the change from an 11-member Planning Board to a 9-member Planning Board, the proposed agreement, and the finding on the audit report.

Monica explained that, with the structure of the bylaws, four members must come from the County, four members must come from the City, and the ninth member can come from a Conservation District. If no one from a Conservation District can fill the seat, it will be determined jointly by the City and the County. As far as the functionality of how the Board operates, there are no changes.

Monica stated that the same agreement will be on the County Commissioner's agenda on Monday, November 3rd and then on the Council's agenda on Tuesday, November 4th.

- Resolution – Agreement with JGA Architects

Monica stated that the resolution is related to LURA, which offers technical assistance and façade improvement grants. When the programs were developed, proposals were sent out for architects to provide services to LURA through an agreement at a lower rate to assist applicants that apply for funds through the programs. High Plains Architects is currently in that role. Since Heidi and Monica have become involved in LURA, they have seen the need to provide more flexibility for applicants to choose an architect. Katie Walsh, who works for JGA Architects, has become very active in LURA and attends meetings regularly and provides good input. JGA Architects prepared an agreement with the same hourly rate. With this agreement, applicants could choose to work with High Plains or JGA Architects, which would be an added service to those who are applying for technical assistance and façade improvement grants. The contract does not obligate LURA to any specific money or project, but is just another option for the applicants.

- Council Issues:

- LURA – Requirement for two reports annually (Tom Nelson)

Heidi reviewed the LURA report, which included a summary of activities that LURA has been doing in fiscal year 2013-2014 and some of the potential activities for 2014-2015. A copy of the report is attached to these minutes. The report included: Budget Revenues and Expenditures, FY 13-14 Grant Awards, Consulting Projects, Debt Service and Upcoming Projects.

There was discussion regarding the LMC requirement for LURA to give two reports annually, the need for and development of the large grant request program, and a recent large grant request that LURA received from the School Superintendent, and the suggestion that the city staff was instrumental in putting the report together.

- Lease Task Force update

There was no discussion.

- Update on 2011 Yellowstone River flooding event

Heidi spoke regarding a letter from FEMA that states that FEMA is going to obligate funds for a new water intake for the City of Laurel. The city had also asked for a boiler, which the current intake does not have, and some extra things, but those items were not approved. Attachment A is a starting point for the cost of \$6.7 million. Great West Engineering reviewed the numbers and they are comfortable with them. There is some contingency included as the city applies for permits and moves forward. At this time, FEMA is unwilling to pay for the lowering of the current intake and the replacement of the screens on top with some rounded screens. Staff has asked if FEMA would help monetarily if any of the permitting agencies do not allow the city to keep three intakes in the river. If an agency requires the lowering of the intake or removal of one of the intakes in the river, FEMA would help. Construction could begin in October or November 2015. During the week of November 10th, Great West will begin surveying of the river three miles upstream to determine the best location for the new intake.

Other items

Mayor Mace and Heidi have tried to contact the Local Government Center about scheduling a training session for the council.

Review of draft council agenda for November 4, 2014

The agenda includes two appointments and two resolutions.

Attendance at the November 4, 2014 council meeting

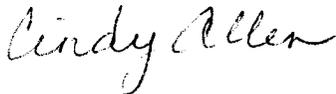
All council members present will attend.

Announcements

There was no discussion.

The council workshop adjourned at 7:05 p.m.

Respectfully submitted,



Cindy Allen
Council Secretary

NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.



LAUREL URBAN RENEWAL AGENCY

Annual Report

Below is a summary of activities that have taken place in the Tax Increment Finance District in the Fiscal Years of 13-14 and potential projects for FY 14-15. With staff support, LURA has become increasingly active and educated on the appropriate functions of the use of TIF funds. Below you will find a high-level explanation of LURA activities.

BUDGET

Revenues:

Tax Revenue Collected 13-14	\$ 443,351.00
State Grants	\$ 2,370.00
Entitlement Share	\$ 67,707.00
Misc Rev	\$ 586.00
Penalty and Interest Taxes	\$ 821.00
Investment Earnings	\$ 335.00
Total Revenue Collected 13-14	\$ 515,170.00

Expenditures:

Operating Supplies	\$ 1,419.00
Advertising	\$ 215.00
Professional Services	\$ 38,313.00
Façade & Technical Asst. Grants	\$ 31,754.00
Transfer to Planning	\$ 6,000.00
Debt Service	\$ 88,639.00
Total Expenditures 13-14	\$ 166,340.00

Cash Balance 7-1-13	\$ 293,353.00
Revenues over Expenditures	\$ 348,830.00
Cash Balance 6-30-14	\$ 642,183.00

- Approved budget for Fiscal 14-15 is attached.

FY 13-14 Grant Awards

1. Laurel Revitalization League, Town Square Lighting - \$985.00
2. Alpha Omega Façade Restoration - \$6,000.00
3. Aqua Systems of Montana Façade Restoration - \$6,000.00
4. Bling N Video Sign - \$2,161.79
5. Beartooth Grill Sign - \$3,000.00
6. Covert Cleaning Technical Assistance - \$1268.00

7. Laurel Outlook Façade - \$4,269.76
8. Covert Cleaning Façade - \$1,999.00
9. Beartooth Grill Façade - \$2,000.00

Consulting Projects

1. Zeier Consulting, LLC

In November 2013, the City of Laurel approved a contract for 1,040 hours for professional economic development assistance to focus specifically on business recruitment and public outreach to educate the district.

2. Laurel Gateway Plan, Sanderson Stewart

In February, City Staff issued an RFP soliciting proposal for the development of an implementation strategy to identify projects that could be completed in the district, while also extending the life of the district. The plan is scheduled for a vote at the LURA meeting on November 17, 2014.

3. City Staff is currently working on the development of a large grant request program.
4. City Staff worked with JGA Architects to acquire services for technical assistance and façade grants through the existing programs.

Debt Service

The storm water project that is included in the debt service will be paid in full on January 31, 2019 and currently has a balance of \$466,487.51. The total amount that was borrowed from the water & sewer funds was \$1,330,770.70. The principle payment per year is \$93,297.52 with a 2% interest rate. The loan's life is 10 years.

Upcoming Projects

Due to the recent planning efforts City Staff and LURA will work diligently to implement the recommendations of the Gateway Plan. Projects will include infrastructure improvements, the development of a Revolving Loan Fund and more.

10/28/14
15:39:17

CITY OF LAUREL
Revenue Budget Report -- MultiYear Actuals
For the Year: 2014 - 2015

Page: 1 of 1
Report ID: B250B

Account	Actuals				Current	%	Prelim.	Budget	Final	% Old
	10-11	11-12	12-13	13-14	Budget	Rec.	Budget	Change	Budget	Budget

2310 TAX INCREMENT-Business Dist.										
310000 TAXES										
311010 Real Property Taxes	149,579	290,105	366,362	381,261	260,000	147%	265,200		265,200	102%
This is a 2% increase in mill value.										
311020 Personal Property Taxes	109,536	97,073	38,042	23,498	82,000	29%	83,640		83,640	102%
Group:	259,115	387,178	404,404	404,759	342,000	118%	348,840	0	348,840	102%
330000 INTERGOVERNMENTAL REVENUES										
334000 State Grants			2,370	2,370	0	***%	26,000		26,000	****%
Grant for Economic Development Plan										
335220 Tax Relief Reimbursement			17,146	9,299	0	***%	10,000		10,000	****%
335230 HB124 Entitlement				58,408	0	***%	10,000		10,000	****%
Group:			19,516	70,077	0	***%	46,000	0	46,000	****%
360000 Miscellaneous Revenue										
360000 Miscellaneous Revenue				586	0	***%	1,000		1,000	****%
363040 Penalty & Interest	739	718	1,409	821	2,000	41%	2,000		2,000	100%
Group:	739	718	1,409	1,407	2,000	70%	3,000	0	3,000	150%
370000 Investment and Royalty Earnings										
371010 Investment Earnings		411	279	335	600	56%	600		600	100%
Group:		411	279	335	600	56%	600	0	600	100%
Fund:	259,854	388,307	425,608	476,578	344,600	138%	398,440	0	398,440	115%
Grand Total:	259,854	388,307	425,608	476,578	344,600		398,440	0	398,440	

10/28/14
15:39:41

CITY OF LAUREL
Expenditure Budget Report -- MultiYear Actuals
For the Year: 2014 - 2015

Page: 1 of 1
Report ID: B240C

Account	Object	Actuals				Current	%	Prelim.	Budget	Final	% Old
		10-11	11-12	12-13	13-14	Budget	Exp.	Budget	Changes	Budget	Budget
Fund: 2310 TAX INCREMENT-Business Dist.											
Org:											
411850	Special Projects										
220	Operating Supplies		71		1,419	0	***%	1,000		1,000	****%
223	Meals/Food					0	0%	2,000		2,000	****%
	Meals for Meetings										
337	Advertising		48	469	215	0	***%	600		600	****%
350	Professional Services		26,013	16,293	42,374	5,000	847%	250,000		250,000	5000%
	Zeier Consulting										
	Economic Plan										
370	Travel		183	75		0	0%	200		200	****%
380	Training Services		350	17	92	0	***%	200		200	****%
700	Grants, Contributions & I			28,526	31,754	0	***%	50,000		50,000	****%
901	MISC CAPITAL PROJECTS		40,000			500,672	0%	463,012		463,012	92%
	Available for Capital Projects										
	Account:		66,665	45,380	75,854	505,672	15%	767,012	0	767,012	151%
430235	Storm Drainage										
350	Professional Services		4,128			0	0%			0	0%
	Account:		4,128			0	***%	0	0	0	0%
521000	Interfund Operating Transfers Out										
820	Transfers to Other Funds	33,035	6,000	6,000	6,000	6,000	100%	6,000		6,000	100%
	Account:	33,035	6,000	6,000	6,000	6,000	100%	6,000	0	6,000	100%
	Org:	37,163	72,665	51,380	81,854	511,672	16%	773,012	0	773,012	151%
Org: 320 STORM WATER											
490000	Debt Service										
610	Principal					79,497	0%	93,298		93,298	117%
	Storm Water Debt to Water and Sewer Funds.										
620	Interest	24,795	22,175	17,889	9,142	9,143	100%	8,864		8,864	96%
	Account:	24,795	22,175	17,889	9,142	88,640	10%	102,162	0	102,162	115%
	Org:	24,795	22,175	17,889	9,142	88,640	10%	102,162	0	102,162	115%
	Fund:	61,958	94,840	69,269	90,996	600,312	15%	875,174	0	875,174	145%
	Grand Total:	61,958	94,840	69,269	90,996	600,312		875,174	0	875,174	



FEMA

R8-Recovery

October 21, 2014

Tim Thennis, Alt GAR
Department of Military Affairs
Disaster and Emergency Services Division
1956 Mt. Majo Street; PO Box 4789
Fort Harrison, MT 59636-4789

Re: Review of Water System Restoration Proposal for the City of Laurel, 1996-DR-MT – PW
01679 – (Log # 14-581-1996)

Dear Mr. Thennis:

This letter is in response to your letter dated September 15, 2014 forwarding the September 12, 2014 request from the City of Laurel (Applicant) requesting review of the proposed Alternate 2 as a solution for the Applicant's damaged raw water intake system.

Background:

The applicant's current water intake facility is operating at a diminished capacity and is located in a vulnerable area. The capacity and function was significantly reduced as a result of the Yellowstone River flooding event in 2010. During the event, the river channel experienced lateral movement as the south bank was eroded and significant scour occurred to the riverbed effectively shifting available flows away from the facility. Historical records have revealed that the current location of the existing intake has been problematic since the original construction with sedimentation deposition, shifts in the water course, and heavy scouring. A study performed by the applicant's engineer determined the existing intake was incapable of being restored or repaired to pre-disaster form, function, and capacity.

Based on the results of the study and requirements within Executive Order (E.O.) 11988, codified in FEMA regulation 44 CFR Part 9, FEMA agreed the existing intake facility had lost its function and was eligible for replacement. The applicant subsequently commissioned a second engineering analysis to determine an array of options to restore the applicant's water supply system. This study was completed and published for comments to assure compliance with necessary environmental considerations.

Analysis:

The study identified and recommends Alternative 2, the construction of a new intake structure approximately three miles upstream of the current location. This section of the Yellowstone River is more stable, will not be subject to significant shifting of sediment or riverbed profiles, provides a long term solution, and subscribes to sound environmental practices.

To assure compliance with E.O. 11988, Protection of Floodplains, FEMA implements an Eight-Step Decision-Making Process that requires the evaluation of alternatives to construction in a floodplain. The intent of E.O. 11988 is to minimize occupancy of and modification to floodplains. Because the existing location would continue to be vulnerable to future damages, 44 CFR Part 9 requires relocation of the facility. While the proposed new location will have impacts to the floodplain, FEMA has determined that these impacts are less severe, will minimize future damages, and therefore is the best alternative.

As with all FEMA grants, 44 CFR 206.226 allows costs associated with restoration of the new facilitates based on the pre-disaster capacity and function that existed at the damage site. FEMA has reviewed the proposal and approves the construction of the new intake within the limits of the pre-disaster form, function, and capacity of the existing intake. Because the new water intake effectively replaces the original damaged intake, any costs associated with the original site are not eligible for improvements. Any costs associated with decommissioning the previous site may be eligible for funding. Should the applicant desire to retain or improve the old facility, decommissioning costs would not be eligible. In addition, as a result of implementing 44 CFR Part 9 and concluding that original intake was damaged beyond repair, 44 CFR 206.226(g) stipulates that the original facility is no longer eligible for future disaster funding.

Approved Scope of Work: (see Attachment-A for the itemized determination)

The approved scope of work is based on the *Itemized Cost Estimate for Chosen Alternative* which was attached to the Alternative 2 request dated September 12, 2014. The items listed under Section 1 (Construct new intake 3 miles upstream) and Section 6 (soft costs) are eligible for funding as they fully restore the pre-disaster form, function and capacity of the structure, and subscribe to 44 CFR 206.226(d) and (g).

Items that have been determine ineligible for funding are (refer to attachment-A):

Section 1 – As the existing system did not contain a hot water system to prevent ice buildup, costs associated with a commercial water heater, pumps, and required controls would not be eligible. These items were not included in the original facility and are not eligible in accordance with 44 CFR 206.226(d). However, the existing system was constructed with plumbing for future expansion and therefore, piping from the new outbuilding to the new intake facility would be considered eligible.

Mr. Tim Thennis

October 21, 2014

Page 3 of 4

Section 2 – Replace Existing Screens:

As stated previously, because the new intake fully restores the pre-disaster capacity and as result of the requirement of 44 CFR 206.226(g), any costs associated with improvements to the damaged facility are not eligible.

Section 3 – Install Hot Water Heater at Existing Intake:

As stated previously, because the new intake fully restores the pre-disaster capacity and as result of the requirement of 44 CFR 206.226(g), any costs associated with improvements to the damaged facility are not eligible.

Section 4 – Remove Emergency Rock Weir:

These items are not considered permanent work and will not be included in this PW. According to documentation from the USACE, they find the emergency rock weir in violation and have not issued an appropriate permit. Without proper permits FEMA is prohibited from funding any costs associated with the emergency rock weir in accordance with Public Assistance Guide, Chapter 4: Special Considerations – Clean Water Act.

If the Applicant is able to secure all required permits (Federal, State and Local) FEMA will review the information and determine whether funding may be eligible for the installation and the removal of the emergency weir.

Section 5 – Remove Sediment:

As stated in the environmental assessment as referenced in the request letter “removal of the sediment is to help to restore the hydraulic capacity of the bridges” which are not related to the new intake system. FEMA is unable to fund any costs associated with the original facility.

Section 6 – Soft Costs:

Contingency cost and the 2015 construction cost escalation factor are not typically included in a FEMA scope of work. Actual cost will be determined through local, state, and federal procurement processes. Please advise the applicant of all FEMA procurement requirements as contained within 44 CFR Part 13.

Mitigation:

As stated in the Alternatives Analysis and the Environmental Assessment, the low water surface at the current intake is a direct result of the channel migration and scour that occurred during the flooding in 2010. Mitigation will be achieved through the relocation of the intake facility to the new location three miles upstream, on the outside bend of a meander that is constrained on the southeast by a high bank comprised of Bell Fourche shale and has remained stable for 60 years. Because the site is up-gradient, raw water would flow by gravity through a pipeline from the intake to the water treatment plant. Water surface at the new location is more stable, located up-gradient, and the intake will be designed to be fully functional during low flows.

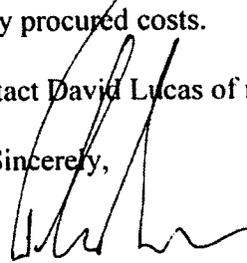
Mr. Tim Thennis
October 21, 2014
Page 4 of 4

Conclusion:

After thorough review of the applicant's proposal dated September 12, 2014, FEMA approves the construction of a new raw water intake facility three miles upstream of the current location. FEMA will prepare a version to PW 01679 that clearly outlines the approved scope of work and associated construction and engineering costs. Although the PW will outline full costs for the project, only costs associated with engineering and design services will be approved at this time. Once final plans are completed, please submit these to FEMA for review and discussion with your office and the applicant to assure clear understanding of the eligible scope of work. Once the applicant has requested and received bids for the project, please submit these documents to the Region to facilitate the preparation of the PW to reflect those properly procured costs.

If you have any questions, please feel free to contact David Lucas of my staff at (303) 235-4335.

Sincerely,



Tom Bush
Public Assistance Branch Chief

Enclosure: Attachment-A

OPINION OF PROBABLE COST
ALTERNATIVE 2 - CHOSEN ALTERNATIVE

Construct new intake 3 miles upstream, adjacent to Canyon Creek Ditch; ~~replace existing screens with half-round screens; install hot water heater at existing intake; remove sediment~~

Section 1

Item No.	Description	Qty	Units	Unit Price	Total
1	Earthwork for intake	1	LS	\$40,000	\$40,000
2	Piping 24-inch DI (parallel pipes in river)	900	LF	\$175	\$157,500
3	Pipe Lean Concrete Encasement	1255	CY	\$250	\$313,750
4	Intake Screens	4	EA	\$15,000	\$60,000
5	Cofferdam	650	LF	\$1,000	\$650,000
6	Dewatering Pumps	45	DAYS	\$1,100	\$49,500
7	Work Bridge	1	LS	\$175,000	\$175,000
8	Cast-in-Place Concrete	105	CY	\$1,200	\$126,000
9	Piling	1	LS	\$10,000	\$10,000
10	Air Backwash System	1	LS	\$54,000	\$54,000
11	Commercial Hot Water Heater - 1000 gallon	1	LS	\$125,000	\$125,000
12	Pump (150 GPM)	1	LS	\$5,000	\$5,000
13	Piping for Hot Water	1	LS	\$3,000	\$3,000
14	3-Phase Power	1	LS	\$50,000	\$50,000
15	Outbuilding	1	LS	\$135,000	\$135,000
16	Electronic Controls for Hot Water Heater	1	LS	\$5,000	\$5,000
17	Electronic Controls from WTP to New Intake Site and Integrate Into SCADA System	1	LS	\$90,000	\$90,000
18	30" PVC Transmission Main (2 parallel lines)	32000	LF	\$100	\$3,200,000
19	Jack and Bore Beneath Highway	200	LF	\$600	\$120,000
Subtotal					-\$5,368,750

\$5,233,750

Section 2

Replace existing screens with half-round screens at existing intake					
1	Cofferdam	70	LF	\$1,000	\$70,000
2	Work-Bridge	1	LS	\$150,000	\$150,000
3	Pumps for Dewatering	30	DAYS	\$1,100	\$33,000
4	Concrete Demolition	1	LS	\$6,000	\$6,000
5	Cast-in-Place Concrete	40	CY	\$1,200	\$48,000
6	Half-Round Screens	4	EA	\$18,000	\$72,000
7	Reconnect plumbing	1	LS	\$5,000	\$5,000
Subtotal					\$384,000

Section 3

Install hot water heater at existing intake					
1	Commercial Hot Water Heater - 1000 gallon	1	LS	\$125,000	\$125,000
2	Pump (150 GPM)	1	LS	\$5,000	\$5,000
3	Piping	1	LS	\$3,000	\$3,000
4	Outbuilding	1	LS	\$50,000	\$50,000
5	Electronic Controls	1	LS	\$5,000	\$5,000
Subtotal					\$188,000

OCT 21, 2014

Section 4

Remove Emergency Rock Weir					
1	Hydraulic Excavator	40	HR	\$240	\$9,600
2	Dump Truck	80	HR	\$60	\$4,800
Subtotal					\$14,400

Section 5

Remove sediment					
4	River Sediment & Debris Excavation and Offsite Disposal	10000	GY	\$15	\$150,000
2	Constructing & Reclaiming Construction Access to the River	200	GY	\$20	\$4,000
3	Steel Plates to Span Existing Pipeline for Construction Access on Sewer Plant Road	1	EA	\$2,000	\$2,000
4	Exploratory Excavation	4	HR	\$150	\$600
5	Protect Existing Water Mains in Place within	4	EA	\$2,000	\$8,000
6	Place Salvaged Riprap on Riverbank	80	SY	\$60	\$4,800
Subtotal					\$169,400

Section 6
"Soft Costs"

Direct Construction Subtotal		\$6,124,550	\$5,233,750
Mobilization	10.0%	\$612,455	\$ 523,375
Contingency	15.0%	\$918,683	
Construction Subtotal		\$7,655,688	\$5,757,125
2015 Construction Cost	3.0%²	\$7,885,358	
Alternatives Analysis & EA		\$160,000	
Groundwater Alternatives Analysis		\$33,110	
Engineering Design	9.0% 8.9%	\$689,042	\$ 512,384
Resident Project Representative		\$105,000	
Project Management	1.0%	\$76,557	\$ 57,571
Geotechnical Investigation		\$25,000	
Environmental/Archeological		\$15,000	
Easement/Right-of-Way Acquisition		\$50,000	
MPDES Permit, Dewatering		\$900	
DEQ 410 Certification Fee (1% of related construction)		\$16,358	
DEQ 318 Authorization Fee		\$250	
CLOMR Application		\$20,000	
LOMR Application		\$20,000	
TOTAL		\$9,096,544	\$6,772,698