

MINUTES OF THE CITY COUNCIL OF LAUREL

November 19, 2002

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 Bud Johnson at 7:02 p.m. on November 19, 2002.

COUNCIL MEMBERS PRESENT: Lauren Van Roekel Doug Poehls
 Gay Easton Mark Mace
 Dan Mears Daniel Dart
 John Oakes

COUNCIL MEMBERS ABSENT: Ken Olson

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

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

Mayor Johnson removed item 6.d.4), Resolution No. R02-79, from the consent agenda.

Mayor Johnson explained that public hearings would not be held for Ordinance No. O02-43 and Ordinance No. O02-45. Ordinance No. O02-43 relates to the time for council meetings, and the second reading will be scheduled for the next council meeting. When the ordinance becomes effective, the Committee of the Whole meeting will be eliminated and council meetings will be scheduled for 6:30 p.m. The change will be effective for the January 7, 2003, council meeting.

Ordinance No. O02-45 repeals a current ordinance regarding a travel reimbursement policy that will be presented as a resolution to place it in policy rather than in ordinance. The second reading of the two ordinances will be on the council agenda of December 3, 2002, and the ordinances would become effective on January 2, 2003.

MINUTES:

Motion by Alderman Van Roekel to approve the minutes of the regular meeting of November 6, 2002, as presented, seconded by Alderman Poehls. Motion carried 7-0.

CORRESPONDENCE:

Laurel Chamber of Commerce: Letter of October 30, 2002, regarding positions open on Laurel Chamber of Commerce Board of Directors.

Laurel Chamber of Commerce: Letter of October 28, 2002, regarding endorsement of New Northwest Broadcasters and their holiday advertising campaign package for Laurel merchants;
Letter of October 29, 2002 from New Northwest Broadcaster Sales Staff.

MTWY Association of Railroad Passengers: October/November 2002 Newsletter.

Air Pollution Control Board: Minutes of October 8, 2002; Activity Report for October 2002; Agenda for November 12, 2002.

Laurel Masonic Temple Association: Letter of November 12, 2002.

Montana Department of Commerce: Letter of November 13, 2002, regarding FFY 2002 HOME Program Applications – Second Round.

PUBLIC HEARINGS:

- **Ordinance No. O02-32: City of Laurel Municipal Sign Code** (first public hearing held on July 16, 2002; additional public hearing set on August 6, 2002 for August 20, 2002; continued from August 20, 2002; continued from September 3, 2002)

Motion by Alderman Mace to continue the public hearing of Ordinance No. O02-32, the City of Laurel Municipal Sign Code, to January 21, 2003, seconded by Alderman Mears. Motion carried 7-0.

- **Ordinance No. O02-36: Ordinance amending Chapter 12.04 of the Laurel Municipal Code relating to sidewalk repair.**

Mayor Johnson opened the public hearing.

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

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

Mayor Johnson closed the public hearing.

The second reading of Ordinance No. O02-36 will be on the council agenda on December 3, 2002.

- **Ordinance No. O02-37: Ordinance amending Chapter 12.12 of the Laurel Municipal Code relating to bond required.**

Mayor Johnson opened the public hearing.

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

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

Mayor Johnson closed the public hearing.

The second reading of Ordinance No. O02-37 will be on the council agenda on December 3, 2002.

- **Ordinance No. O02-38: Ordinance amending Chapter 12.16 of the Laurel Municipal Code relating to authority to remove obstruction.**

Mayor Johnson opened the public hearing.

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

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

Mayor Johnson closed the public hearing.

The second reading of Ordinance No. O02-38 will be on the council agenda on December 3, 2002.

- **Ordinance No. O02-39: Ordinance amending Chapter 16.12 of the Laurel Municipal Code relating to application requirements.**

Mayor Johnson opened the public hearing.

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

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

Mayor Johnson closed the public hearing.

The second reading of Ordinance No. O02-39 will be on the council agenda on December 3, 2002.

- **Ordinance No. O02-40: Ordinance amending Chapter 16.16 of the Laurel Municipal Code relating to minor plat application requirements.**

Mayor Johnson opened the public hearing.

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

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

Mayor Johnson closed the public hearing.

The second reading of Ordinance No. O02-40 will be on the council agenda on December 3, 2002.

- **Ordinance No. O02-41: Ordinance amending Chapter 16.40 of the Laurel Municipal Code relating to mobile home parks.**

Mayor Johnson opened the public hearing.

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

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

Mayor Johnson closed the public hearing.

The second reading of Ordinance No. O02-41 will be on the council agenda on December 3, 2002.

- **Ordinance No. O02-42: Ordinance amending Chapter 16.52 of the Laurel Municipal Code relating to monumentation.**

Mayor Johnson opened the public hearing.

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

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

Mayor Johnson closed the public hearing.

The second reading of Ordinance No. O02-42 will be on the council agenda on December 3, 2002.

CONSENT ITEMS:

- **Clerk/Treasurer Financial Statements for the month of October 2002.**
- **Approval of Payroll Register for PPE 11/10/02 totaling \$113,160.25.**
- **Receiving the Committee Reports into the Record.**

--Budget/Finance Committee minutes of October 15, 2002 were presented.

--City Council Committee of the Whole minutes of November 6, 2002 were presented.

--City-County Planning Board minutes of November 7, 2002 were presented.

--Public Works Committee minutes of November 12, 2002 were presented.

--Council Workshop minutes of November 12, 2002 were presented.

- **Resolutions.**

Resolution No. R02-76: A resolution relating to the disposal of certain real property, the Chamber building.

Resolution No. R02-77: Resolution relating to the adoption of an Internet and E-mail Policy for the City of Laurel.

Resolution No. R02-78: Resolution relating to entering a contract regarding pre-design of the FAP addition.

Resolution No. R02-79: Resolution relating to a pre-bid contract with COP Construction.

The mayor asked if there was any separation of consent items.

Alderman Van Roekel separated item 6.d.1), Resolution No. R02-76, out of the consent agenda.

Mayor Johnson had removed item 6.d.4), Resolution No. R02-79, from the agenda at the beginning of the meeting.

Motion by Alderman Mace to approve the consent items as presented, seconded by Alderman Dart. Motion carried 7-0.

REPORTS OF BOARDS AND COMMISSIONS: None.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT): None.

SCHEDULED MATTERS:

- **Confirmation of Appointments.**

Laurel Volunteer Fire Department

Mayor Johnson appointed Casey Barnhardt, Jay Knopp, and Brian Dennis to the Laurel Volunteer Fire Department.

Motion by Alderman Poehls to approve the appointments of Casey Barnhardt, Jay Knopp, and Brian Dennis to the Laurel Volunteer Fire Department, seconded by Alderman Mears. Motion carried 7-0.

- **Ordinance No. O02-31: Community Entryway Zoning District** (Public hearings held on August 6, 2002, August 20, 2002, September 3, 2002, September 17, 2002, October 1, 2002, October 15, 2002) Second reading – continued from November 6, 2002.

Motion by Alderman Dart to adopt Ordinance No. O02-31, Community Entryway Zoning District, seconded by Alderman Easton. A roll call vote was taken on the motion. All seven aldermen present voted aye. Motion carried 7-0.

- **Ordinance No. O02-43: Ordinance amending Chapter 2.10 of the Laurel Municipal Code relating to Meetings.** First reading.

Motion by Alderman Mears to adopt Ordinance No. O02-43, seconded by Alderman Poehls. A roll call vote was taken on the motion. All seven aldermen present voted aye. Motion carried 7-0.

The second reading of Ordinance No. O02-43 will be on the council agenda on December 3, 2002.

- **Ordinance No. O02-44: Ordinance amending Chapter 2.84 of the Laurel Municipal Code relating to City Cemetery.** First reading.

Motion by Alderman Mears to adopt Ordinance No. O02-44, seconded by Alderman Dart. A roll call vote was taken on the motion. All seven aldermen present voted aye. Motion carried 7-0.

The public hearing of Ordinance No. O02-44 will be on the council agenda on December 3, 2002.

- **Ordinance No. O02-45: Ordinance amending Chapter 2.92 of the Laurel Municipal Code relating to travel expense reimbursement.** First reading.

Motion by Alderman Easton to adopt Ordinance No. O02-45, seconded by Alderman Dart. A roll call vote was taken on the motion. All seven aldermen present voted aye. Motion carried 7-0.

The second reading of Ordinance No. O02-45 will be on the council agenda on December 3, 2002.

- **Award bid for water intake project.**

Mayor Johnson introduced Bill Leonard, who is a Rural Development Specialist with Midwest Assistance Program. Mayor Johnson thanked Mr. Leonard for helping the city with the process on the intake project. Bill spent most of the day working intently with the staff, and he agreed to give the council an update this evening.

Bill Leonard works with Midwest Assistance Program, which works with small and mid-sized communities in nine states, including Montana. Services provided by Midwest Assistance Program are free of charge. Though many communities experience the same things, there is not usually a means of networking so communities can learn from each other's actions. Midwest Assistance Program serves that purpose of networking from one community to another regarding how things were accomplished or might be accomplished. Mary and Larry informed Bill this morning regarding the situation faced by the City of Laurel. It did not come as a surprise because water related and intake problems were discussed when he was here eleven or twelve years ago. He has been in town since then to work with the staff, but he has not addressed the council. Bill stated that the council knows the history of the intake and the river's changes better than he does. He is very much aware that the city had a real scare with the water supply even this month. It is his understanding that the source water truly was in jeopardy and remains so. The engineer design is complete, and he offered the council a word of congratulations for their foresight and astuteness to get ahead of the problem. The contractor's bid came in significantly higher than the engineer's estimate, and the engineer has generally accounted for the differences. If the contractor completes the job as bid, the differences seem to be legitimate. Bill understands that most of the cost increase was due to the pilings and the sheet metal trench protectors that the contractor would require because of the depth of the trench. On Monday, the State imposed a \$10,000 per day fine on the City of Laurel for the days that the present berm continues to exist in the river and the situation continues. In other words, the old intake has to go. The State put a caveat on that, and it is obvious that they are giving a little push for construction to begin. If so, the fine would be forgiven. The State put an end date on, but they were quick to say that the time would be extended as needed. After working with the figures that Mary Embleton compiled, Bill is convinced that the City of Laurel could get started on the construction project with the \$700,000 remaining from a previous loan. That capital is certainly enough to start the project and have everyone recognize that the project has started. Then the staff needs to start working on a plan to meet the debt service on a new loan, as the available \$700,000 would not pay for the project. Before the loan would be granted, the City of Laurel would be required to prove that a mechanism is in place to raise the revenues needed for the additional debt service. The city has reserves available in case of a time gap between contractor's bills and approval of the new loan. The reserves would be reimbursed after approval of the new loan. Mr. Leonard stated that there are not many options for consideration, and this is the way to proceed. It has to be done and he is fully convinced that it is for the betterment of Laurel.

Alderman Mears asked Mr. Leonard if any cutting needed to be done from the contractor's bid. Bill stated that he is not an expert, and he knows that other engineering firms are reviewing the engineer's plans, and an auditor is reviewing the bid figures. He understands that the contractors identified some changes that could be incorporated in favor of the city. When looking at a million dollar project, a hundred thousand dollars is not really significant. In general terms, he would be surprised if anything significant is revealed by the review of the other engineering firm. He agreed that the second engineer's opinion was a good move to make even if it costs a few dollars.

Mayor Johnson stated much has transpired in a very short period of time, even since the presentations by the engineer and the contractor at the last workshop. Larry and Gay attended a meeting in Helena on Monday, November 18th, and they were able to bring a little common sense to the process that was taking place up there. If they had not attended, we may be in an even more uncomfortable situation than we are this evening. The letter that the council received is the result of that meeting. It is certainly not the situation we like to be in; however, as difficult as it is, it could be worse. Mayor Johnson was particularly interested to hear Bill Leonard's thoughts today. The project and the plan will be evaluated by another engineering firm to make sure something has not been overlooked. The dilemma is that we really do not have any choices. We want to eliminate as many unknowns as possible and find out if it is really a qualifying bid and if the engineer has done a prudent job. Mayor Johnson cautioned that the Yellowstone River is the largest undammed waterway in a great area. The river has earned the respect of anyone that has anything to do with it from recreationists to agriculture; it has a mind of its own and could still bring some surprises. We are not finished yet, and we do not want to discount that. The unknowns that exist in working in the river have added to this project and the costs of the project. He again issued a caution that the river could still present some surprises. Mayor Johnson stated a recommendation to table the bid award this evening. A press conference is schedule for 2:30 p.m. on Friday, November 22nd, and a special council meeting is scheduled for 6:30 p.m. Friday evening. The additional appraisals should be

available by then, and the information will be shared then so everyone has an idea of the current situation. The city has enough money to get started on the project. A rate adjustment will be necessary to cover the costs. A rate adjustment needs to be reviewed very carefully before a recommendation is made. When the council met last summer to put together a work plan, a rate increase was one of the priorities, so this is really not unexpected. The real nature of this situation has changed considerably because of the huge difference in the estimate and the bid.

Motion by Alderman Easton to table the award of the bid for the water intake project to a special council meeting on November 22, 2002, at 6:30 p.m., seconded by Alderman Oakes.

Alderman Dart asked if the special council meeting could be scheduled earlier in the day. The council briefly discussed it.

Motion by Alderman Mears to amend the motion to schedule the special council meeting on November 22, 2002, at 4:30 p.m., seconded by Alderman Poehls. Motion carried 7-0.

A vote was taken on the motion, as amended, to table the award of the bid for the water intake project to a special council meeting on November 22, 2002, at 4:30 p.m. All seven aldermen present voted aye. Motion carried 7-0.

ITEMS REMOVED FROM THE CONSENT AGENDA:

- **Resolution No. R02-76: A resolution relating to the disposal of certain real property, the Chamber building.**

Motion by Alderman Easton to approve Resolution No. R02-76, seconded by Alderman Dart.

Alderman Van Roekel received a call from Chamber secretary, Kim Womboldt, this morning. She requested a meeting with the City of Laurel and the Chamber to discuss the issue before ownership of the building is transferred.

Mayor Johnson stated that it might be dubious to determine the actual ownership of the building. We are trying to remove the insurance bill from the City and place it back with the Chamber of Commerce, where it probably rightly belongs. Mayor Johnson researched the issue. Past councils have raised the same question regarding having taxpayers pay the bill for the insurance of the building. Matt Ereksen and Mayor Johnson determined that a certain area in the code would allow this to alleviate the situation. The building itself sits on leased land, so this would essentially just clarify the issue. The insurance bill is about \$100 per year.

Alderman Van Roekel stated that it would be good not to pass the resolution at this meeting, to share the information with the Chamber, and then to revisit the issue at the next council meeting.

A vote was taken on the motion to approve Resolution No. R02-76. Since the vote was unclear, Mayor Johnson asked for a roll call vote. Alderman Easton voted aye. Aldermen Poehls, Mace, Dart, Oakes, Mears, and Van Roekel voted nay. Motion failed 1-6.

Mayor Johnson stated that the issue could be brought back to the council with another resolution after it is discussed with the Chamber of Commerce.

AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT):

Bill Leonard stated that the Laurel High School football team traveled to Whitefish recently. He said that the team was a good, sportsmanlike team. The two teams played a good game – one of which both winner and loser could be proud. He congratulated Laurel for winning the championship.

COUNCIL DISCUSSION:

Mayor Johnson presented a locomotive silhouette, an item that is normally sold for \$100 by the Laurel Booster Club. The Mayor of Havre called and wished to place a wager with him, and he accepted. It was proposed that they make the winner the possessor of the silhouette, while the loser would pay \$50 to the Laurel Booster Club and \$50 to the Havre Booster Club. Mayor Johnson was particularly pleased to be able to announce that the Laurel team traveled to Havre and left triumphant. Mayor Johnson thanked Alderman Mace for his help in facilitating this. Bob Rice, the

Mayor of Havre, called Mayor Johnson today. They discussed meeting halfway to take pictures. It was also proposed to have him travel to the City of Laurel and attend a council meeting. Mayor Rice was pleased to have the community of Laurel travel to the Havre community. Mayor Johnson has heard several positive comments about the occasion.

Alderman Mace read in the *Havre Daily News* online that the City of Havre is in the process of trying to approve a water line insurance program. Alderman Mace e-mailed the gentleman that covered the story to tell him that the City of Laurel recently approved that program, and they could contact Steve Klotz or Larry McCann if they wanted to ask questions of a similar sized community.

Mayor Johnson mentioned the joint meeting with the Laurel City-County Planning Board and the Billings City-County Planning Board on Thursday, November 21st, at 5:30 p.m. Location separation and identification issues between the City of Billings and the City of Laurel are an agenda item for the meeting. Mayor Johnson has tried to promote a joint meeting for some time.

Alderman Easton commended Mayor Johnson and the city staff for the diligent work on the intake study. He stated that Larry McCann did a great job representing the City of Laurel in Helena on Monday.

Mayor Johnson stated that the water intake issue has been captivating Larry's agenda for some time.

UNSCHEDULED MATTERS:

Mayor Johnson reminded the council of the special council meeting on Friday, November 22nd, at 4:30 p.m.

There being no further business to come before the council at this time, the meeting was adjourned at 7:48 p.m.

Cindy Allen, Secretary

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 3rd day of December, 2002.

John E. Johnson, Jr., Mayor

Attest:

Mary K. Embleton, Clerk-Treasurer