

# MINUTES OF THE CITY COUNCIL OF LAUREL

February 4, 2003

A regular meeting of the City Council of the City of Laurel, Montana, was held in the Council Chambers and called to order by Acting Mayor Gay Easton at 6:30 p.m. on February 4, 2003.

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

COUNCIL MEMBERS ABSENT:            None

Acting Mayor Easton asked the council to observe a moment of silence for the astronauts in the Columbia tragedy.

Acting Mayor Easton led the Pledge of Allegiance to the American flag.

## MINUTES:

Motion by Alderman Olson to approve the minutes of the regular meeting of January 21, 2003, as presented, seconded by Alderman Van Roekel. Motion carried 7-0.

## CORRESPONDENCE:

Department of Natural Resources and Conservation: Letter of January 13, 2003 regarding 2003 Grant Program to promote the observance of Arbor Day in Montana.

Montana Municipal Insurance Authority: Memo of January 25, 2003 regarding 2003 Workers' Compensation Program dividend.

Beartooth Resource Conservation & Development Area, Inc.: Letter of January 6, 2003.

Montana League of Cities and Towns: Letter of January 23, 2003 regarding 5-year Agreement for Purchase of Electric Power Supply.

## CONSENT ITEMS:

- **Claims for the month of January 2003 in the amount of \$650,876.89.**  
A complete listing of the claims and their amounts is on file in the Clerk-Treasurer's Office.

- **Approval of Payroll Register for PPE 01/19/03 totaling \$108,841.93.**

- **Receiving the Committee Reports into the Record.**

--Budget/Finance Committee minutes of January 6, 2003 were presented.

- **Resolutions.**

**Resolution No. R03-14: Collection of annual service fee for all water users, pursuant to the Public Water Supply Program.**

**Resolution No. R03-15: Resolution approving an agreement between the City of Laurel and NorthWestern Energy, L.L.C. (formerly The Montana Power Company), said agreement relating to six (6) City-owned 70-watt recessed underpass lights.**

**Resolution No. R03-16: Resolution authorizing the Mayor to sign a Railroad Overpass Walkway Lighting Agreement with Montana Rail Link, Inc.**

Acting Mayor Easton asked if there was any separation of consent items.

Alderman Mears separated 5.d.3), Resolution No. R03-16, and 5.d.2), Resolution No. R03-15, from the consent agenda.

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

## **REPORTS OF BOARDS AND COMMISSIONS:**

- Yellowstone Historic Preservation Board – John Walsh

John Walsh expressed thanks for the opportunity to address the Laurel City Council to present the activities of the Historic Preservation Board. John introduced the Board Chairperson, Angela Cimmino.

Angela Cimmino also thanked the council for the opportunity to provide a brief overview of the work plan. Angela is Chair of the Yellowstone Historic Preservation Board. The Board was created in February 1993 under an inter-local agreement with the City of Billings, the City of Laurel, Yellowstone County, and the Crow Tribal Council. The City's representative, Dr. Don Woerner, is a very active member of the group, but was unable to attend tonight's meeting. To provide a general overview of the long-range plan, Angela introduced Kevin Kooistra-Manning, the Executive Director of the Western Heritage Center. He serves as consultant to the Board, along with his assistant, Maggie Weamer, who is very instrumental in putting the program together. John Walsh is the Historic Officer and the Manager of Community Development with the City of Billings and has been an integral part of the Board's makeup.

John Walsh distributed copies of the Yellowstone Historic Preservation Board Fiscal Year 2003 Work Plan to the council. The Board has wanted to present an update of projects and goals to the local governing bodies for the last several years, and they hope to do this on a regular basis.

The Board's first goal is to promote increased awareness of Yellowstone Historic Preservation Board activities by the four governing bodies represented on the Board. A written report of the activities will be provided to the four entities on an annual basis, and the Board will work with the local governing bodies to assure that historic preservation concerns are considered in overall goals and objectives of the governing bodies.

The second goal is to comply with the duties and responsibilities of historic preservation organizations under the State Certified Local Government Program and the requirements of the inter-local agreement. This involves assuring compliance with existing requirements for CLGs from the State Historic Preservation Office, including assuring 80 hours of work a month, and assuring community access to information on historic preservation practices and techniques.

The Board's third goal is to increase community awareness on the benefits of historic preservation activities. This will be done in the following ways: surveys; promote activities during Historic Preservation Week; plan activities for children in the fall of 2003; publicize Board activities; facilitate cooperation between various organizations involved in historic preservation activities in the community; create a logo to help define and market the Yellowstone Historic Preservation Board; prepare and disseminate historic preservation information, including the Downtown Walking Tour; promote the identification and coordinate marketing of historic sites; maintain local website for historic preservation activities; and research the possibility of a Board-sponsored exhibit of Billings through the decades.

The fourth goal is to promote the preservation of historic buildings, sites, or neighborhoods. To do this, the Board will: revise the existing Historic Preservation Ordinance to allow for a local historic designation process; identify new areas to complete Historic District surveys; work to encourage and assist in the nomination of sites to the National Register of Historic Places; work to assure compliance with historic preservation requirements in existing historic districts and at existing historic sites; and coordinate with local school districts to promote increased awareness of local historic preservation needs and efforts.

John Walsh introduced Kevin Kooistra-Manning, who gave a Power Point presentation. The council viewed the Yellowstone Historic Preservation Board's new logo, which has been in progress since 1993. One of the first things that Maggie and Kevin did was a countywide survey of properties in the area. A previous project was a Walking Tour booklet that documented activity on Montana Avenue. In the last couple years, more buildings have been occupied that were not even included on

the walking tour. Another survey was done in Billings to include the buildings that were not in the original survey. CTA Architects is moving to downtown Billings and will occupy the Marshall-Wells building. Maggie and Kevin spent a day in Laurel to document the historic structures in the downtown area. They talked with some of the business owners, who showed them interesting features of the architecture of the buildings. The next step is to do research on the buildings, and then compile a Walking Tour Booklet. If the Chamber of Commerce chose to compile the booklet, the Board would have some information available.

Kevin reviewed some of the projects of the past year, including special speakers. Historic Preservation Week is scheduled for May 5-11, 2003. One project, Bricks and Boards, allowed children to participate by photographing interesting downtown buildings and explaining why they took each picture. The information collected will become a poster exhibit, which is scheduled to open on May 10<sup>th</sup> at the Western Heritage Center, and then the exhibit would be available for schools.

The Eugene Carroll Preservation Award acknowledges people who are doing good work in Yellowstone County.

A survey was sent out to people that are involved in historic preservation in order to receive comments regarding what the Yellowstone Historic Preservation Board can contribute to our communities. The comments received addressed preservation of historic landmarks, building stronger neighborhoods around the downtowns, preserving buildings with Montana history connections, and promoting the restoration of historic properties. All of the comments will be taken seriously and evaluated.

Kevin thanked the council for the opportunity to present the information. Acting Mayor Easton thanked Kevin, John, and the other members for their presentation. Acting Mayor Easton stated that he hoped this would continue and something could be developed through the Chamber and the business people. He stated that the City of Laurel would give them all the support possible and would welcome them back anytime.

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

**SCHEDULED MATTERS:**

- **Confirmation of Appointments:** None.

Current Board/Committee vacancies: Board of Appeals – two positions  
Police Commission – one position

- **Scott Atwood: FAP design**

Scott Atwood distributed copies of the Public Safety Complex Facility Study that he prepared. After a previous presentation to the council, Scott scheduled a brainstorming session to gather more input and to think of other possible options.

Scott briefly reviewed the original ideas, including a basic addition, an expanded addition, and new construction or relocation. Although no square foot projections were made for consideration of relocation of the fire department, Scott stated that the department would be the easiest to relocate in terms of the size of the equipment. By relocating the fire department, a lot of space would be available in the present facility. Although a large building would have to be built because of the size of the equipment, the space would be relatively unfinished and less expensive per square foot than office space. No projections were done for the ambulance department. New construction for the police department was determined to be the least feasible at this time because the systems cost and the infrastructure of that facility would be most expensive to reproduce in another location.

A brainstorming session resulted in the following ideas: 1) temporarily leasing a nearby building; 2) leasing a building for a temporary facility; 3) expansion to the north; 4) build an upper level; 5) jail cell demolition/remodel; 6) use existing attic.

Scott emphasized the small space in which the ambulance department is presently located. Scott explained the dollars/per month and the projected three-year costs necessary to lease three different sizes of buildings. Four hundred square feet would be available for expansion to the north of the present building, and Scott questioned whether the building had been built over the property line.

Adding an upper level addition of 1,800 square feet to the present building is another possibility. Scott stated that it would be expensive and difficult to demolish the jail cell. In order to use the existing attic space, the existing systems would have to be reworked. Since some insulation in the attic is falling down and the insulation does not meet current standards, the heat quickly melts snow on the roof. Scott mentioned that this probably causes the huge icicles and ice to form on and around the FAP building.

Scott clarified a statement he made at a previous meeting regarding an architect's opinion of the basic addition option: "It is the opinion of the architect that a basic addition would not be an effective use of construction dollars because so little is gained by such an addition." He did not mean that the option should be ruled out. Although it might not be the most effective option, the city may be forced into that option.

Scott stated that the next step is to finalize the projections. He will tabulate the figures and produce a formal booklet with pros and cons for all possible options in the next couple weeks. The council will then need to decide how to proceed.

There was a brief discussion regarding handicap accessibility to an addition above the present building. Scott explained the 3,000 square foot rule. It is acceptable to create a 3,000 square foot area that is not handicap accessible as long as it is not public, and the public is not asked to go there. The next issue would be a handicapped employee. Certain conditions are allowed for the interpretation of that, as there are certain roles that a handicapped individual could not perform. It would not be a requirement to install a \$40,000 elevator just to get to that small space.

Alderman Dart asked if structural challenges with the roof at the FAP building would need to be addressed and if they would be included in the report. Although it was not originally part of the study, Scott said that he would put some information in the report in order to keep it on people's minds. Heat strips are needed in the gutters in order to keep the water from backing up. If the water backs up enough, there will be water in the building and under the shingles. Alderman Dart stated that he did not know about this situation.

Alderman Olson mentioned the needs and concern of the ambulance department, which were shown by the ambulance personnel at a council meeting several months ago. Alderman Olson realizes that they work as volunteers, but to be continually forced into a small space is asking a lot of them. Not only would additional space benefit the ambulance department, it would benefit the City of Laurel. Without the ambulance, the city would not be able to provide care to the citizens. If he had a wish list, he would want a facility that is large enough for every need, but that is not possible. Alderman Olson stated that there is an urgent need to provide space for the ambulance personnel. He also stated that the ambulance department has put forth an effort to show their concern for the citizens of Laurel to the council, and perhaps it is time that the council took a step forward.

Alderman Poehls asked if the report would include information about leasing the Associated Glass building in Laurel. Jan Faught explained that Associated Glass offered to lease the building to the City of Laurel for \$1,800 per month. However, Associated Glass actually wants to get out of the lease, and the owners want to sell the building. Jan has not seen it listed with a realtor yet.

Acting Mayor Easton thanked Scott for his presentation.

- **Larry McCann: Public Utilities Department Year-End Report**

Larry McCann distributed copies of the Public Utilities Department Annual Report to the council.

The City of Laurel created a Public Utilities Department in June 2002. The responsibilities of the department are the water plant, the water distribution system, the wastewater plant, and the wastewater collection system.

Six personnel are assigned to the water treatment plant, and the plant is manned 24 hours a day every day of the year. The water plant has one chief operator, four certified operators, and one operator in training. The operators are certified by the State and must attend annual training to maintain certification. The operator in training has passed all certification tests and must complete two years as an operator in training in order to become certified.

Four personnel are assigned to the wastewater plant. All wastewater plant operators are certified by the State and must attend annual training to maintain certification. The wastewater plant operates

with one chief operator, and the other three are operator II. The wastewater plant is manned eight hours every day of the year.

Four personnel are assigned to the systems. The systems crew handles both the water distribution and the wastewater collection. The system crew consists of three certified distribution personnel and one individual that will take the test in March 2003. The systems crew works an eight-hour day. All personnel in the Public Utilities Department are on a call out list for emergencies.

Water plant projects for the year 2002 included: chief operator selected and put in place; rebuilt chlorine control system; installed monitors for booster pumps; revamped drain system in clear well; patched sediment basins while they were down for cleaning; and participated with engineers on design of new intake.

Wastewater plant projects completed during 2002 included: rebuilt one of the screw pumps at the head works; installed hot water heater in the head works; installed two new compressors for the digesters; new roofs on all buildings; replaced piping to the methane burners; replaced two valves from the digesters to the drying beds; both clarifiers taken out of service and cleaned for the first time; removed snails from the RCB trains; and the crew worked closely with the engineer to develop the Wastewater Facility Plan.

Wastewater systems projects for 2002 included: jet rodding of all wastewater collection lines in the City; jet rodding of monthly lines was completed; all manholes identified with flow direction and distance between; lift stations serviced weekly; and identification of the collection line on East Railroad Street that allows irrigation water to enter the system.

Water systems projects for 2002 included: all hydrants flowed; three hydrants replaced; three main line valves replaced; all curb boxes located and marked on maps; twenty-three curb boxes replaced; all water meters read monthly; responded to about 696 calls for service; and pumps at the booster station were rebuilt.

The general on-going activities of the Public Utilities Department are the Wastewater Facilities Plan, the new intake and pump house, the Water Facilities Plan, the new computerized work order system, and the Geographic Information System (GIS).

Alderman Olson thanked Larry for the information presented. There was further discussion regarding the irrigation situation on East Railroad Street, the need for a sewer line from Montana Meadows to the Village Sub Lift Station, the sediment basins, the availability of grant monies for bio-terrorism, curb box replacements and the water line insurance program, installation of underground sprinklers in the cemetery and Russell Park, bathroom facilities at Russell Park, lines at Eighth Avenue and Village Subdivision, and the proposals for the Water Facility Plan.

Acting Mayor Easton thanked Larry for his presentation.

- **Mary Embleton: Clerk-Treasurer's Semi-Annual Report**

Mary Embleton had distributed copies of the 2002-2003 Mid-Year Budget Review to the council prior to this meeting. The report included the following funds: General Fund, Light District Funds, Street Maintenance District Fund, Sweeping District Fund, State Gas Tax Fund, Water Fund, Sewer Fund, and Solid Waste Fund. A complete copy of the report is available for review in the clerk-treasurer's office.

The reports compared budget to actual revenues and expenditures for the current fiscal year and also compared actual revenues and expenditures for the current fiscal year to last year for the same six-month period. All revenues and expenditures do not occur evenly throughout the year. Revenues in the mill-levied funds are received on a monthly basis, but the two major payments are received in December and June. HB124 Entitlement payments are received on a quarterly basis. Some expenses occur on a "seasonal" basis; however, expenditures are within projected allocations at mid-year.

Mary used the overhead projector to present color charts and graphs that had been included in the Mid-Year Budget Review to clearly show the revenues, expenditures, and cash flows for each fund for the 2001-2002 fiscal year and the first six months of fiscal year 2002-2003.

The General Fund and the Water Fund are the two major funds that generate revenue for the City of Laurel. For the fiscal year, all funds budgeted for PERS, workers compensation, liability insurance, and property insurance in the General Fund were directly funded through the Comprehensive Insurance and PERS Special Revenue Funds, rather than showing the costs in the General Fund and transferring the dollars from the Special Revenue Funds to the General Fund to reimburse these costs.

Metered water revenue as of December 31<sup>st</sup> was 58% of budgeted revenue. This compares to 55% as of December 31, 2001, an increase of \$25,059. Total revenues are at 47% of budget; however, the revenue budget will need to be amended to reflect the bond revenues/loan proceeds from the Water Intake Project.

Revenue for the State Gas Tax is to be received on a monthly basis from the State of Montana, but timing has been inconsistent.

The Solid Waste Fund continues to show a positive cash flow, which makes it possible to set up an appropriate reserve allowance for replacing equipment as determined by the CIP.

Preparations are underway for the city to begin putting together next year's budget. With a legislature in session this year, it could be difficult to manage any more unfunded mandates, should they be passed along by the state to the local governments. Continuing union negotiations make it difficult to determine the level of funding for wages and other benefits. We will face major budget issues again this year, including rising costs in employee health benefits, liability, property and workers' comp insurance, and electricity. Funding for the future will also be factored in to the budget as the city begins to implement the results of the Capital Improvements Plan.

The remaining six months of this fiscal year will see some variations in the budget, caused by unanticipated increased costs, such as in the water fund. However, most increases in appropriations will have an offsetting increase in revenues, such as the loan payment for the water intake project, and the insurance settlement for the shop fire. The ongoing union negotiations may also have an impact on this budget, as the settlement could be retroactive to July 1, 2002.

Some debt service in the General Fund has been relieved as the ambulance, the water tender truck, the police car, and the pickups are paid off. Those debt service costs have been built in, so we could chose to borrow some money until we get the CIP more formalized. As an example, the decision was made to borrow the money to purchase the State shop land rather than go into the cash reserves. Since we already have some debt service in place, it should not have a major impact on the budget.

In summary, the city is in good financial shape for the first six months of the fiscal year. Revenues are generally within expected projections, with most being higher than 50% - a good sign in revenues. Expenditures are generally within expected projections, with most being lower than 50% - a good sign in expenditures. Overall, the cash position, comparing last year to this year, increased by over \$478,000. It remains to be seen whether that will hold true until the end of June. It will be necessary to do some budget amendments at the end of the fiscal year, particularly in the Water Fund. It may be necessary to do some adjustments in the General Fund in order to address some of these issues: purchase of the State land for the shop; expanding the shop; a decision for more space for the ambulance; and the additional expense for the contract for legal services.

Mary stated that the City of Laurel is in good shape as it heads into the second half of this fiscal year in a positive position.

There was further discussion regarding the inconsistent timing of receiving the State Gas Tax monies, the workers' comp dividend received from MMIA, the legislature, HB124 (Entitlement monies), HB409 (insurance), the League of Cities and Towns, and the Local Government Center.

Mary explained that HB124 was a major accounting change in Helena. The State would collect various revenues – motor vehicle taxes, beer and wine revenues, gambling revenues, etc. – and then disperse the revenues to counties and cities at different times of the year. It was a huge administrative burden on the State, so they revamped the process in order to disperse the funds quarterly. In order to do that, the State guaranteed an increase of 3% -- 1½ % based on the growth of the particular area and the other 1½ % based on the economic growth of the State. The revenues are tied to that factor but should be no less than 3%. The formula is fairly complicated, and a matrix sheet has to be filled out every year to determine what the entitlement will be in anticipated revenues.

Alderman Olson stated that the importance of realizing that the intake project will cost money; however, that cost should be above the cash flow figure because there are other projects in the water system that must be supported. If all available cash were used to complete the intake project, the rest of the water infrastructure would fall around us. It is important to recognize the fact that the money in the Water Fund is earmarked for projects and for different areas within the water system.

Using the example of the Gas Tax Fund, Mary stated that one project could deplete a reserve quickly. The Wastewater Facility Plan and the Water Facility Plan will be valuable tools to determine which problems need to be fixed first.

Mary thanked the council for their time. Acting Mayor Easton thanked Mary for her presentation and suggested scheduling a similar report at the end of the fiscal year.

**ITEMS REMOVED FROM THE CONSENT AGENDA:**

- **Resolution No. R03-16: Resolution authorizing the Mayor to sign a Railroad Overpass Walkway Lighting Agreement with Montana Rail Link, Inc.**

Motion by Alderman Mears to approve Resolution No. R03-16, seconded by Alderman Olson.

Alderman Mears stated that he removed the resolution to question whether the city should go in the business of owning lights in the underpass.

Acting Mayor Easton stated that the lights are in Light District No. 2 and the resolution would upgrade what is already present in the lighting district. This originated from the Public Works Committee meeting after a complaint was received that there were no lights in the underpass. The lights were there, but they were not functioning. The Highway Department and the railroad were contacted to find out who was responsible. The railroad is responsible and agreed to pay for installation of the lights. When the installation is completed, it would go back to Montana Power (NorthWestern Energy) and into the light district to pay for the electricity.

Matt Ereksen explained that one resolution authorizes the installation of the lights, and the railroad will pay for the installation. Mary has contacted NorthWestern Energy in order to amend the agreement for additional power.

Alderman Dart stated that Montana Rail Link owns the structure and questioned if they will own the lights. Matt explained that the Lighting District would own the lights.

Mary Embleton explained that we have always owned the lights, and we are just changing from four owned lights to six owned lights. The lights will be included in the lighting district, and the electric company will supply the lights and the city will pay for the power. The installation costs will be reimbursed by the railroad.

A vote was taken on the motion to approve Resolution No. R03-16. Motion carried 7-0.

- **Resolution No. R03-15: Resolution approving an agreement between the City of Laurel and NorthWestern Energy, L.L.C. (formerly The Montana Power Company), said agreement relating to six (6) City-owned 70-watt recessed underpass lights.**

Motion by Alderman Mears to approve Resolution No. R03-15, seconded by Alderman Olson. Motion carried 7-0.

Acting Mayor Easton thanked Alderman Mears for separating the resolutions in order to explain the details. He stated that the lighting would be nice under the underpass. He also suggested that it would be nice to have a ceremonial event with the highway department and the railroad to recognize the safety part of the underpass.

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

**COUNCIL DISCUSSION:**

Alderman Olson stated that the tragic space shuttle incident has caused people to look at flags to see who is honoring the request to lower flags to half-mast. He is proud that the City of Laurel lowered the flag, although he hesitated to express much pride about the flag that is presently flying over City Hall. The flag is in sad shape, with tears and tatters, and the situation should be remedied. Alderman Olson stated that patriotism and flag waving will be at its paramount in the months to come, and it would be good to have a process in place to be certain that Old Glory is flown in her rightful state and not as a tattered emblem of our appreciation of the rights that we receive for being Americans.

Alderman Olson stated that he wanted to have a council workshop meeting next Tuesday night, and he asked the council if they agreed. He suggested that the sign ordinance, the energy contract, and a change order for the water intake should be items for discussion. The council agreed to schedule a council workshop for Tuesday, February 11<sup>th</sup>, and Acting Mayor Easton stated that he would set up the agenda.

**UNSCHEDULED MATTERS:**

There being no further business to come before the council at this time, the meeting was adjourned at 8:33 p.m.

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Cindy Allen, Secretary

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 18<sup>th</sup> day of February, 2003.

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Gaylord Easton, Acting Mayor

Attest:

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Mary K. Embleton, Clerk-Treasurer