

# MINUTES OF THE CITY COUNCIL OF LAUREL

June 17, 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 Mayor Bud Johnson at 6:30 p.m. on June 17, 2003.

COUNCIL MEMBERS PRESENT:             Lauren Van Roekel     Mark Mace  
   Gay Easton             Daniel Dart  
   John Oakes

COUNCIL MEMBERS ABSENT:           Ken Olson                 Doug Poehls  
   Dan Mears

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

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

Mayor Johnson welcomed everyone to the council meeting.

## **MINUTES:**

Motion by Alderman Easton to approve the minutes of the regular meeting of June 3, 2003, as presented, seconded by Alderman Dart. Motion carried 5-0.

## **CORRESPONDENCE:**

Montana/Wyoming Association of Railroad Passengers: June 2003 Newsletter.

Ken Hanify: Letter of June 3, 2003 regarding Little Dude Ranchettes.

Laurel High School Pep Club: Letter of June 5, 2003 regarding 2003 Homecoming activities. (See Scheduled Matters.)

## **PUBLIC HEARINGS:**

- **Public hearing on the 2003-2004 Preliminary Budget.**

Mayor Johnson opened the public hearing.

Mayor Johnson introduced Cathy Gabrian, the Deputy Clerk, who agreed to fill in for the clerk-treasurer who is attending a meeting on the HOME Grant in Helena today.

Cathy Gabrian stated that this is the first public hearing on the 2003-2004 Preliminary Budget. The budget was originally set to be finalized on July 15<sup>th</sup>, but it will probably be delayed because the legislature allowed another month for the Department of Revenue to send out the mill values. The council and the department heads have spent many months working on this budget and have come to this point. Cathy reminded the council that the Preliminary Budget is preliminary, and it is subject to change.

The biggest factor that is still influencing the budget is the fact that we have not received our mill value. This information comes from the Department of Revenue and is usually received by the deadline of the first Monday in July. The recent legislature delayed that deadline and allowed the department an additional month, making their deadline the first Monday in August. This has put the budget process back also. The estimated mill value used for the preliminary budget was set at \$6,000, but that is just an estimate. Last year our mill value was slightly less than that amount, and it was worth more than that for the previous three years. We are hoping that \$6,000 is a good estimate or that it would come in even higher than that. If the mill value comes in at a higher rate than that, it could possibly be to our benefit and would lower the reserve amount that has to be used to balance the budget. If the mill value comes in at a lower level, the council would probably have to scrutinize the budget to find further cuts.

The third page in the budget document shows wage and benefit factors in the budget. The wage increase per union contract last year was agreed at 5%. Health insurance premiums received a 7½ % increase. A cap on the insurance premiums was negotiated with the union contract. The Family and Employee/Spouse plans were capped at \$1,100 per month, and the Employee/Child and Employee Only plans were capped at \$700 per month. The Blue Cross health insurance and the dental plan are considered as one unit for the cap. The current family premium is \$50 over the cap and the employee/child premium is about \$98 over the cap. The Insurance Committee has been working to find a plan that would fall under that cap for all the different groups. The life insurance premium has not changed at all over the past year. The City continues to contribute to the retirement plans at 6.8% for PERS and 14.41% for the police officers' plans. Workers' comp had an 8.8% reduction; however, since workers' comp is based on wages, it is hard to determine the final outcome. The class codes rate went up slightly and our mod factor, which is our usage rate, went down. Unemployment and FICA remain the same. Liability insurance went up slightly. That is based on wages, so with the wage increase, it could be a 6 or 7% increase.

The general fund revenues include the taxable revenues, which are the mills, and the different sources of non-taxable revenue. The overall estimated increase in revenues this year is \$95,048. This is done very conservatively, as it is better to underestimate than to overestimate. Two options could be considered to generate additional revenues. One option is to adopt a cable TV franchise ordinance, which would be 5% of their gross sales. Another option would be to establish a park maintenance district. A park maintenance district would take the expenses for the park and the swimming pool out of the general fund and put them in their own district, which could be levied separately. At this point our park and pool budgets run about \$180,000, so that could free up some funds in the general fund.

House Bill 409, which was established in 2001, is a bill that allowed the city to go back to fiscal year 1999-2000 regarding health insurance premiums. The city was allowed to levy the difference between that year and fiscal year 2001-2002 outside the general fund mills. That really helped the city in the previous two years. The recent legislature revised that and only allow us to go back one year on that; however, because the city had already levied those the previous two years, we will not lose any of that money. We retain the money that we had the previous years. The city will be able to levy additional mills (\$102,450) for the Employee Group Health and additional mills (\$47,194) for Police Insurance.

The General Fund appropriations in the budget document are listed by department. It categorizes the personnel services, operating maintenance, and capital outlay. The capital outlay column has no figures in it. A capital improvements committee has been working hard to set up a CIP Plan for the City of Laurel. The committee finished ranking those projects, and the council has the CIP document for their input. Since capital outlay items have been taken out of the department budgets and put into the CIP, CIP items are not included in the Preliminary Budget. Appropriations increased \$204,269 over last year.

The Tax Levy Requirement Schedule is a basic balance sheet. The middle column of the schedule shows the estimated cash available as of June 30, 2003, which will also be the starting cash reserves with the new budget year. When you add the revenues coming in and subtract the appropriations going out, it needs to balance. Since appropriations are running higher than revenues, the city has had to dip into cash reserves in the amount of \$126,822. That is substantial, and we have had to increase that due to tight budgets in the past. Our reserves are lower than what they have been in the past. A certain cash reserve balance needs to be available in order to cover the low months before tax revenues are received from the county.

The final area of the budget document is the Revenue Expense Summary Report. This area is actually set up a little bit different. The revenue expense section is done by account number, which defines a function as opposed to an earlier page done by departments. It compares the last four years to our current budget and our preliminary budget. Any budget changes from this point on would be reflected in the Budget Change column on this page.

Cathy stated that the budget needs to be finalized by the second Monday in August or forty-five days after the mill value is received from the Department of Revenue. The city is just waiting to receive the mill value, and then the budget can be finalized.

Alderman Dart asked regarding the delay in receiving the mill value. Cathy explained that the recent legislature gave the Department of Revenue an additional month to send the mill value to the cities. The budget could be finalized soon after the City of Laurel's mill value is received.

Mayor Johnson thanked Cathy for filling in so well at such late notice.

Mayor Johnson asked if there were any proponents.

Cal Cumin, the City Planning Director, thanked the mayor, the city council, and the staff for all of the work that goes into the annual budgets. He does not think that the public properly appreciates the amount of work that goes into it. Cal urged the council's specific support for the \$20,000 that is potentially budgeted for economic development. This is extremely important to the City of Laurel, and he thinks that the council realizes that we have to do something in town to spur economic development that contributes to the taxes, which then in turn pay for the city's way of life. This year there is a line item in the budget for \$20,000. It is the first time it has happened. Cal is hoping that additional monies will also be available. The idea that the city is stepping forward and proposing to contribute that \$20,000 is a very proactive step for the city. It is well thought out, and it is going to reap benefits to the city for a long time to come. Cal hopes that the council supports it.

Kate Stevenson owns LeDuc Jewelers and is a member of the Laurel Revitalization League, the TCSP Oversight Committee, and the Laurel Economic Development organization. Kate asked the council to approve up to \$20,000 for economic development. The TCSP Program, the Transportation Community Sustainability Project, has met for three years to identify the weaknesses and the strengths in Laurel. The organization has come up with ideas on how to solve the problems and also how to sell what we have. Laurel has a lot of great things that people who are looking for a place to relocate to or start a business could use, but we have to market it. Kate stated that it would be like a person who had a house for sale but did not put a for sale sign in the window or hire a realtor, but just hoped that people driving by would notice the gorgeous four-bedroom house with three bathrooms. Laurel is doing the same thing; we are hoping that people who drive by on I-90 or who look at a map realize that Laurel is located by three major highways and other benefits. However, people do not know this. The people who volunteer their time on all of these organizations do not have the expertise or the time to do what needs to be done. The group considered who would benefit the most from this and agreed that the City of Laurel would be one of the main beneficiaries of having economic development in this area. Other organizations will also be approached to help fund this position. Kate thinks that it is vital to this area. We cannot rely on industry that is already here or happens to know about us. We have to seek further than that, and we need people who know what they are doing in that area. Kate asked for the council's support in this issue.

Mayor Johnson asked if there were further proponents.

John Smith, Chairman of the Airport Authority, stated that an economic development person would be very nice for the airport. They do not have professional people at the airport, and it would really help them get some other needed businesses up there. Also, it might help the airport find some funds to build a facility for Rocky Mountain College, which is a great asset at the airport.

Mayor Johnson asked if there were any further proponents.

Dean Rankin, owner of ACE Hardware, stated that it is very exciting to see that the City of Laurel has some funding in the budget for economic development. He has been in business here for twenty-three years. There has been no real consolidated growth, and he thinks it is vital for the city to take leadership in order to promote this for our community. If anybody takes the time to drive around the downtown area or the small business area, it is obvious that it is very weak and needs improvement. Dean thinks that someone needs to be assigned to that as a major function in order to make things happen. Most small business owners need to work extra time in order to stay in business, and they do not have time to make these things happen. Someone needs to take the leadership. Dean stated that he thinks specifically for the city to do that would really enhance economic development and growth in this community. He mentioned that this has been done in other areas of the state, and the wheel has already been invented. Dean is very encouraged to see that it is in the budget and hopes that the council would support it and make sure it comes about.

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

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

Motion by Alderman Easton to continue the public hearing on the 2003-2004 Preliminary Budget to July 1, 2003, seconded by Alderman Dart. Motion carried 5-0.

- **Public hearing on additional mills levied for employer group health insurance budgets for FY 2003-2004.**

Mayor Johnson opened the public hearing to consider the mills empowered by House Bill 409 for the Employer Group Health Insurance budgets for the fiscal year 2003-2004.

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.

**CONSENT ITEMS:**

- **Clerk/Treasurer Financial Statements for the month of May, 2003.**
- **Approval of Payroll Register for PPE June 8, 2003 totaling \$120,331.73.**
- **Receiving the Committee Reports into the Record.**

--Budget/Finance Committee minutes of May 19, 2003 were presented.

--Insurance Committee minutes of June 4, 2003 were presented.

--City-County Planning Board minutes of June 5, 2003 were presented.

--Council Workshop minutes of June 10, 2003 were presented.

- **Resolutions.**

**Resolution No. R03-36: Resolution authorizing the Mayor to sign Change Order No. 6 for the new water intake and pump station.**

**Resolution No. R03-57: Resolution authorizing the use of Water Service Line Repair Program funds by the City of Laurel.**

**Resolution No. R03-58: Resolution authorizing the Mayor to sign an agreement with Michael J. DiFronzo for consulting services.**

**Resolution No. R03-59: Resolution regarding a call out pay process for City employees.**

**Resolution No. R03-60: Resolution adopting job descriptions for City Clerk-Treasurer and City Council Secretary.**

**Resolution No. R03-61: Resolution adopting the job description for an Economic Development Coordinator.**

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

Motion by Alderman Mace to approve the consent items as presented, seconded by Alderman Oakes. Motion carried 5-0.

**CEREMONIAL CALENDAR:**

Mayor Johnson read an invitation to a PLUK's (Parents, Let's Unite for Kids) beach party at Lake Elmo on Saturday, June 28<sup>th</sup>, from 11:00 a.m. to 4:00 p.m. The party is sponsored by the Montana Department of Fish, Wildlife and Parks, Bresnan Communications, and Pepsi-Cola Bottling Company.

**REPORTS OF BOARDS AND COMMISSIONS:** John Smith, Laurel Airport Authority Budget Report.

John Smith views the airport as economic development. In the last five years, the airport received a \$3.5 million grant from the federal government. The airport had to match \$300,000 of the grant. The state government gave a loan for \$99,500 and a grant for \$59,000. The airport saved the other \$191,000. The airport saves money by doing everything they can possibly do themselves. The members of the authority put in a lot of time. There are seven businesses at the airport, with a total employment of 39 people, both full and part time. Excluding the two new buildings built this year, the value of the buildings is \$1,130,779. Taxable value is about \$39,000. The two new buildings that were completed this year cost a total of about \$155,000.

This year's airport budget has line items for each expenditure, including salaries, runways, taxiways, and roads, and grounds and maintenance. This will help them keep better track of their money. The airport is looking to have their bookkeeping done outside of the city. John offered to review the budget with anyone who was interested.

The airport plans to purchase a snowplow before October 1<sup>st</sup>. The snowplow will be a loader type with a 20-foot blade, and they also plan to purchase a bucket. It should cost about \$135,000. They also plan to buy a new gate.

Rocky Mountain College and Northern Skies Aviation each have about fifty students. Gas Tax will bring in about \$4,500 this year. There is a lot of interest in people building buildings, but they are very expensive and it is hard to determine the amount of rent necessary to justify the building.

During the next year, the airport wants to master plan the old area. They would like to get rid of the old runway and the old buildings in order to build a building to house the snowplow and provide office space for a manager. That can be funded with an AIP project. With that project, they plan to bring a taxiway down, which would open up the spaces on the road on the left hand side, which are designed for big operations. It would be a great place for Rocky Mountain College to move their operation. The airport also needs a paint shop or a radio shop, which would really go well with the business up there. John proposed that the council, some of the firemen, and the operators at the airport scheduled a meeting to discuss some things.

Northern Skies is having an open house on the 4<sup>th</sup> of July, and they will be giving helicopter and airplane rides. John would certainly like people to show up for that event. He offered to take anyone on a tour at anytime.

Another fly-in is scheduled for the second week in September. The FAA will hold seminars and give rides.

The FAA requires airports to figure out how much it costs to repair its runways every year and to have a maintenance plan. The airport will do that by resolution, and it is planning to put at least \$2,000 aside every year. This will provide a way to maintain what has been built. John asked if the council had any questions.

Alderman Dart remarked about what an economic development officer could do, not only for this town, but also what it could bring in terms of benefit to the airport. Having the right person in the situation would be substantial. He referred to a recent article in the *Billings Gazette* about the United States mail contract at Logan International Airport. Alderman Dart is a personal friend with the gentlemen mentioned in the article. When the Laurel Airport was completing the upgrades and had the dedication at the airport, Alderman Dart asked him regarding their treatment and location at Logan International Airport and why they did not use the Laurel Airport. The gentleman replied that nobody had asked. Alderman Dart stated that, with the right opportunities and the right people, there would be many possibilities for the Laurel Airport.

John Smith stated that the airport needs someone to promote it and to figure out how to get other businesses to locate there.

Mayor Johnson thanked John Smith for his presentation.

**COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT):**

Cal Cumin, City Planner, mentioned that the three people sitting in the front row during the public hearing consisted of the entire construction crew for the downtown park. They came off their construction activity to testify, although two of them were too bashful to say anything, and then they promptly went back to work. Cal thinks that is important to note. A bank president wanted to attend

the public hearing but could not do so, and another small businessman who wanted to testify for support of economic development had a time conflict.

Mayor Johnson asked if anyone else wished to take advantage of this opportunity. No one responded.

**SCHEDULED MATTERS:**

- **Confirmation of Appointments.**

Mayor Johnson stated that there were some appointments this evening. We are working on a process to faithfully advertise all the appointments. A couple of the appointments are based on the fact that they were singular in their application. More than one individual has expressed interest in both the Laurel Police Commission and the Laurel Airport Authority, so we need to set up a process to work through that. Mayor Johnson will be in contact with the President of the Council, Gay Easton, and will develop a process to evaluate the applicants. We are still seeking members for the Board of Appeals, Air Pollution Control Board, and the Drug and Alcohol Task Force. The Drug and Alcohol Task Force was originally formed to consist of two members of the council, two members of the school board, and a chairman, who was a member-at-large from the community. We are still looking for someone from the council to serve on this task force. Mayor Johnson encouraged any interested council member to attend a meeting and let him know of their interest. The Drug and Alcohol Task Force has served to provide some catalytic elements in several processes.

**City-County Planning Board**

Mayor Johnson reappointed Laurel Haggart and Kate Stevenson to two-year terms, ending June 30, 2005, on the City-County Planning Board.

Motion by Alderman Dart to approve the reappointments of Laurel Haggart and Kate Stevenson to two-year terms, ending June 30, 2005, on the City-County Planning Board, seconded by Alderman Mace. Motion carried 5-0.

**Library Board**

Mayor Johnson reappointed Margaret Freund to a five-year term, ending June 30, 2008, on the Library Board.

Motion by Alderman Dart to approve the reappointment of Margaret Freund to a five-year term, ending June 30, 2008, on the Library Board, seconded by Alderman Van Roekel. Motion carried 5-0.

**Police Reserves**

Mayor Johnson appointed Nathan Herman to the Police Reserves.

Motion by Alderman Dart to approve the appointment of Nathan Herman to the Police Reserves, seconded by Alderman Van Roekel. Motion carried 5-0.

**Ambulance Reserves**

Mayor Johnson appointed Joseph Kuhl to the Ambulance Reserves.

Motion by Alderman Dart to approve the appointment of Joseph Kuhl to the Ambulance Reserves, seconded by Alderman Oakes. Motion carried 5-0.

- **Ordinance No. O03-03: Ordinance amending Chapter 15.04.10 of the Laurel Municipal Code relating to a Board of Appeals. Second reading.**

Motion by Alderman Oakes to adopt Ordinance No. O03-03, seconded by Alderman Van Roekel. A roll call vote was taken on the motion. All five aldermen present voted aye. Motion carried 5-0.

- **Laurel High School Pep Club: Request for permission to hold the Homecoming Parade on September 26, 2003.**

Motion by Alderman Van Roekel to grant permission for the Laurel High School Pep Club to hold the Homecoming Parade on September 26, 2003, seconded by Alderman Mace. Motion carried 5-0.

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

**AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT):**

Louis Metzger, 601 West Eighth Street, stated that he has appeared before this council before on some of these matters. He had something come to his attention on May 7<sup>th</sup>. It was brought to Steve at the maintenance department. Nothing has taken effect on this, and he handed out some pictures to the council members. Louis took these pictures himself at the City of Laurel Water Treatment Plant. It bothers him that employees that are working for the City of Laurel can be washing their vehicles using water from the water plant. As far as he is concerned, this is a theft of city property and a theft of his tax dollars. Louis is greatly opposed to this, and when he brought it up through the chain, he was told there is nothing that can be done to this gentleman under the union contract. He has also since found out that it costs \$190,000 to have 3.6 employees on the street department. That is taking almost 70% of the street maintenance budget just to have these three employees. He would like to see something done with the streets in this town because they are deplorable. He questioned how we going to get new businesses to come into this town if we do not do something with our streets. He sure would not want to come into Laurel the way the streets look, especially over where LeDuc Jewelers used to be. He stated that you cannot drive down the streets in this town with a new vehicle without it getting beat to death. Louis has since called the city and requested that a pothole be fixed in front of his house. That was five and a half weeks ago and nothing has taken place. If employees want to continue to drive around in their vehicles and not do their jobs, then we need to get rid of them. His suggestion is if they do not want to take care of the streets, let's get rid of the street department altogether and contract out the work. We want to save money in this town so that we can improve it. There have been things that have been in the paper lately, such as with the city attorney that is costing \$4,000 a month, which was originally supposed to cost \$2,000 a month. He questioned how we are supposed to save money when we are spending more than what we are at the present. He stated that this is wrong. As a taxpayer, he feels something needs to be done. He said that if you do not want to do something about it, then turn in your resignations and let somebody in here that is going to do something and put their foot down and get these people to do their jobs. If we have to break the union, break the union. Louis said that we cannot deal with it anymore. He is tired of the situation and wants to put his house up for sale. He does not want to live here anymore, and he has been here all his life.

Mayor Johnson thanked Louis Metzger.

Mayor Johnson asked if anyone else wished to address the council. There was no one.

**COUNCIL DISCUSSION:**

Mayor Johnson informed the council that the fire department requested permission to set off fireworks from June 16<sup>th</sup> through July 1<sup>st</sup>. By ordinance, he is able to grant that request and has done so. He wanted the council to be aware of the situation. In the past, the request has been approved by council motion; however, the request was received after the council workshop.

Alderman Easton stated that work is progressing on the intake and construction has begun on the roof of the building. When the water in the river recedes, it will be possible to determine what damage the tree caused to the water intake.

Alderman Mace stated that the application and information regarding the grant from the Department of Justice would be received in the form of e-mail. Alderman Mace questioned who should receive the information, and the mayor requested that the information be forwarded to him. Yellowstone County is scheduled to receive \$829,000 for WMD (weapons of mass destruction) monies, and Alderman Mace wants to make sure that the City of Laurel gets their portion.

- **Review of Committee Minutes**

Mayor Johnson called the council's attention to the draft of a portion of the Laurel Growth Management Plan included in the City-County Planning Board minutes of June 5, 2003. He encouraged the council to review the draft. As the pieces come together in draft form, it will eventually come to council for approval, and this would allow the opportunity to inspect the pieces when they are smaller and more easily reviewed.

Mayor Johnson mentioned that the Insurance Committee is in the process of developing a recommendation regarding the insurance.

**UNSCHEDULED MATTERS:** None.

There being no further business to come before the council at this time, the meeting was adjourned at 7:17 p.m.

---

Cindy Allen, Secretary

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 1<sup>st</sup> day of July, 2003.

---

John E. Johnson, Jr., Mayor

Attest:

---

Mary K. Embleton, Clerk-Treasurer