

MINUTES OF THE CITY COUNCIL OF LAUREL

January 18, 2005

A regular meeting of the City Council of the City of Laurel, Montana, was held in the Council Chambers and called to order by Mayor Ken Olson at 6:30 p.m. on January 18, 2005.

COUNCIL MEMBERS PRESENT:

Kate Stevenson	Doug Poehls
Gay Easton	Daniel Dart
Jennifer Johnson	John Oakes

COUNCIL MEMBERS ABSENT:

Dick Fritzler	Mark Mace
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Mayor Olson led the Pledge of Allegiance to the American flag.

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

MINUTES:

Motion by Alderwoman Johnson to approve the minutes of the regular meeting of January 4, 2005, as presented, seconded by Alderman Poehls. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

CORRESPONDENCE:

Laurel Chamber of Commerce: January 2005 Newsletter.

Department of Natural Resources and Conservation: Letter of December 28, 2004 regarding wastewater system improvements.

Montana Department of Commerce: Letter of December 30, 2004 regarding TSEP hearings schedule change.

PUBLIC HEARINGS:

- **Zone change request for a portion of proposed Solid Foundations Subdivision (Certificate of Survey 1330) from Residential Tracts Zone to R6000.**

Mayor Olson opened the public and began with staff's introduction of the matter to the council.

Cal Cumin stated that Solid Foundations Subdivision is a twenty-four lot subdivision consisting of 280,000.6 square feet, consisting of Certificate of Survey 1330 on the north and Certificate of Survey 477 on the south. It abuts Northwest 4th Street on the north side and abuts the city on the north side. The proposed project is a subdivision, an annexation, and a zone change. This public hearing is for the zone change, because city ordinance requires two zone change hearings. The City-County Planning Board has already held one public hearing. This is not an introduction of a new zoning in the area, but it is merely a continuation of a considerable amount of R6000 in the area. The zone change is requested for Certificate of Survey 1330, which is the north part. The request does not include Certificate of Survey 477 on the south, of which half will remain as residential tracts and the south 300 feet as highway commercial. City ordinance allows a developer to approach the city at the time of subdivision and annexation to the city and to stipulate the zoning he requests. The zoning requested is the R6000. If no request were made, it would be zoned R7500. The subdivision includes twenty-four lots, 732 feet of paved street, curb, gutter, boulevard sidewalk, street lighting, and housing. The Planning Board held a public hearing on the plat, the annexation, and the zoning, as required by the city, and has recommended that all three items be approved. The conditions on the plat were: to correct the addresses; needed word changes in the Subdivision Improvements Agreement; that the provision for culverts in the ditches be addressed in the SIA (the contract between the developer and the city); and that the Homeowners' Association Rules be provided to the city for review and subject to all of the usual fire department, public utilities, Department of Health and Human Services, etc. City ordinance requires a second hearing just for

the zoning before the city council. Cal read the following purposes of zoning from Montana Code Annotated.

State code (MCA 76-2-304) requires that local governments take into consideration during deliberations on proposed zone changes the 'Purposes of zoning': (1) Such regulations shall be made in accordance with a comprehensive plan and designed to lessen congestion in the streets; to secure safety from fire, panic, and other dangers; to promote health and the general welfare; to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; to facilitate the adequate provision of transportation, water, schools, parks, and other public requirements. (2) Such regulations shall be made with reasonable consideration, among other things, to the character of the district and its peculiar suitability for particular uses and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such municipality.

State code (MCA 76-2-305(2)) provides that when a protest against a proposed zone change is signed by the owners of 25% or more of the area of the lots within 150 feet from the subject zone change, such amendment shall not be come effective except by the favorable vote of two-thirds of all the members of the city council. There is a valid legal protest against this request.

The Planning Board felt that this was an innovative project that would benefit the City of Laurel and the neighborhood. All the issues raised, such as capacity of the sewer system, capacity of the water system, types of sewage system, storm drains, etc., lie within the realm of professional engineers. Engineering, Inc. is a highly reputable engineering firm in Billings and has addressed the concerns and found solutions to each one of the issues or that all the capacity is there for the subdivision to go in. Some things never get worked out until construction drawings are completed, and therefore, the conditions of the Planning Board and the city should also state that this not be approved until the storm water issues, the sanitary sewage, water issues, etc., are addressed to the satisfaction of the requiring governing bodies, the Department of Health and Human Services, and the city engineer's office.

Mayor Olson asked the council if there were any questions for Cal. There were none.

Mayor Olson presented the applicant, the Laurel Development Corporation.

Rocky Smith, the Executive Director of the Laurel Development Corporation, stated that the Solid Foundations Subdivision project is one of the projects they work on. The Mutual Self-Help Housing Program is about forty-two years old in the states. It is a way for people to get into homes less expensively than paying a contractor to build the home. The idea behind it is to take ten families and teach them how to build homes. They are overseen by a construction superintendent who monitors all the progress on the houses and all the quality control on the houses. Thirty-five percent of the labor is subbed out, and the families cover 65 percent of the labor, which takes a large portion out of the upfront costs of owning a new home. The organization works through the USDA Rural Development. Each family is processed for a 502 construction loan, which is able to subsidize some loans down to as low as 2.9 percent. When stretched out over 33 years, a family can get into a four-bedroom home with 1,422 square feet and a two-car attached garage for \$377 a month, plus taxes and insurance. Rocky stated that it is an extraordinarily good way for a starter family to get into a good quality home and teach them everything about that home so they can take care of maintaining that home. Rocky displayed pictures of three typical homes. The homes, which were built in Washington State, have two-car attached garages, decks, and are built on 6,000 square foot lots. Some homes were 1,337 square feet. One picture showed a Self-Help Housing neighborhood about a year and a half after construction. One of the concerns is that after construction these homes and areas will go downhill and not be maintained. Rocky stated that people want to take care of a home that they spent a year to build. Some of the questions that have arisen are based on density of the area and why they want to put 23 homes into this 4.47 acre parcel. As a non-profit corporation, the LDC does not make any money off this project but does it to get quality homes for people who need them. They sell the property at the same cost that it takes to develop it. A loan was received from the Rural Community Assistance Corporation to develop the land in order to put in 37-foot wide streets, curb, gutter, and five-foot boulevard sidewalks. When that kind of money is spent to put in a nice neighborhood, it is necessary to be able to recoup those costs and sell the lots at a reasonable price to make sure that these are still affordable homes. It has been argued that they should just have one-acre lots. If this area were developed to the quality standards that have to be developed, one-acre lots would cost in the realm of \$125,000. The goal is to create affordable housing, which is a market niche that is not currently provided by the private sector. Last year in the private sector, the

average new construction home built in Laurel cost \$207,500. That is out of reach for the average wage of Laurel residents. The LDC is trying to bring in homes at the \$100,000 mark that people can afford and have found a way to do that through the Mutual Self-Help Housing Program. Rocky stated that Pat Davies, from Engineering, Inc., could answer any engineering questions.

Alderman Dart asked what kind of safeguards were in place in the construction plans to ensure that the houses would be completed and finished properly.

Rocky explained several safeguards for that purpose. The USDA Rural Development, the Federal agency that provides the administrative funding, would be involved. An on-site construction superintendent would monitor the work units, which are required to meet certain goals. A third party, the RCAC, which is the Rural Community Assistance Corporation, are the technical assistance providers for this program in the western thirteen states. The RCAC Technical Assistance Supervisor, John Johnson from Belgrade and Bozeman, is over here about every two weeks. When construction begins, he will be here on a regular basis. A construction superintendent from Washington State who has been doing this program for six years has been hired. All of the programs in Montana have hired a contractor who is choosing to be a teacher rather than a contractor. This position does not actually do any building, but provides the instruction to show people how to do things and then oversees the quality.

Alderman Poehls asked for an explanation of the storm water situation because a lot of the concerns are regarding the water levels in this area.

Pat Davies, Engineering, Inc., stated that local storm water requirements have to be met. This includes designing to a ten-year frequency, six-hour duration design storm, and to insure that post-development runoff is not greater than pre-development runoff. In order to do that, a detention area would need to be created to store the excess water, and that water will be discharged off site as it has historically drained. Given that it is a detention pond, it is a draining pond and very little will seep into the ground. Most of it will discharge off site, as it has historically.

Alderman Poehls asked where it discharges off site.

Pat stated that there are a couple of potential places to discharge it. First, the ditch bisecting to the middle of the property where the site currently drains to would be a logical option, or it could potentially drain along the highway to the south. Both areas drain to a storm drain on 8th Avenue, and basically all ends up in the same place and that is where it has drained historically. Basically the idea of the detention area is to limit runoff rates to what they are historically so they are not impacting properties. In addition, a current MDT project on 8th Avenue is proposed to upgrade the storm sewer improvements in 8th Avenue and provide stubs to start connecting into these areas to the west. At some point in time, these detention areas may be converted to more city standard storm drains.

Alderman Oakes asked if a needs assessment was done to show that Laurel needs an affordable housing area.

Rocky stated that needs assessment have been done in the past.

Alderman Oakes stated that he meant for this project.

Rocky stated that a needs assessment was not done for this project.

Alderman Oakes thanked him.

Rocky stated that, initially when the LDC was started, part of his job was to talk to all the local business owners. Repeatedly business owners told him that housing was not available for their workers to live in Laurel. Many Laurel workers commute from Billings because Laurel has an affordable housing shortage. It is hard to find a place to rent here, let alone to buy a house in the \$100,000 range. That is what led into researching the Mutual Self-Help Housing Program to create more affordable housing in the area.

Alderman Oakes stated that he did not do a needs assessment as it should have been done.

Mayor Olson invited members of the audience to present evidence to the council for consideration. Mayor Olson stated his intention to allow everyone who would like to speak or submit written

evidence into record to participate tonight. However, each participant was limited to three minutes in duration.

Bob Graham, 1200 Cedar Crest Circle, asked if a person could yield their three minutes to an individual in order to continue to speak longer. Mayor Olson stated that it would be allowed.

Mayor Olson asked if there were any proponents.

James Klessens, the coordinator of the Beartooth RC&D Program, is also a board member of the Montana Home Ownership Network. He stood in support of the Solid Foundations Development for the benefits that it will provide for the families and also for the community of Laurel. He mentioned a couple of misconceptions that were stated very strongly at the Planning Board's public hearing. One term is low income and the other term is floodplain. He thinks he has the expertise and experience to speak to both. He spoke regarding low income. The opponents that spoke at the Planning Board public hearing would have people believe that the participants of this project are unemployed, maybe shiftless, and burdens to society. In order to use this term, he thinks it is important to understand its meaning. The Mutual Self-Help Program provides an opportunity for families at 80 percent of the state's median income to access decent housing. Low income in Yellowstone County is a family of one person making \$30,000; a family of two, \$34,300; a family of three, \$38,600; a family of four, \$42,900. James passed out a brochure from the Homebuyer Program which details those particular amounts for Yellowstone County, Montana. He thinks it is safe to say that low income are not shiftless and a burden to society, but they are the very people that make up the core of our community. They are our school teachers, firemen, law enforcement, retail clerks, waitresses, and small manufacturers. He thinks that, if the opponents were correct, we have met the enemy and he is us.

James distributed a floodplain map of the City of Laurel from the Federal Emergency Management Agency. He stated that the map indicated the location of the Solid Foundation Subdivision and clearly detailed the fact that no portion of the subdivision that will be used for the housing development is in the 100-year flood plain. He thinks it is odd that, in a country that clamors for health insurance for 45 million families without health insurance, we fail to recognize that there are 96 million families in America that do not have decent housing. He strongly suggested that the City of Laurel endorse this project whole-heartedly and afford these folks an opportunity to seek decent housing.

Paul Thomae, Thomae Lumber, hopes that the city council and the city will push forward and get this project going. He is amazed that there is so much conflict here. Affordable housing is needed in Laurel, and he stated that people cannot afford starter homes that cost \$250,000. Paul explained how Bob Mace years ago built starter homes on 5th, 6th, 7th, 8th, 9th. Paul stated that a city councilman went into his place of business recently and stated that Thomae Lumber is the only one that will benefit from this. Paul stated that this project would need excavators, concrete people (Schessler), plumbers (Nash and Carlson), heating people (Cindan and WC Heating), electricians (Becker and ACE), carpet and linoleum (KC Interiors), concrete workers. Even though the people are going to do a lot of the work, there is a lot that they cannot do. Once these people become our neighbors, the grocery stores, the drug stores, the restaurants, the barbershops, the bars, the flower shops, the dime and dollar stores, the gas stations, the bowling alley, the banks, and the churches are all going to benefit. The City of Laurel will benefit with twenty-three additional homes paying taxes. Paul stated that Montana is growing and he hopes the council considers the project.

Mayor Olson asked if there were any other proponents.

Bob Graham, 1200 Cedar Crest Circle, asked for permission to speak to the audience. He stated that his granddaughter, who is involved in the program, is a hardworking individual who would make an excellent neighbor. He thanked the audience for their protest, which he told his granddaughter would make her house and the location better because the protest would make sure the city does it correctly. He asked the opponents not to look upon them as something that would hurt the neighborhood. Bob has been here for fifty years, and came to Laurel as low income, as did many people who originally came to Laurel. He encouraged the opponents to protest it as to the land and its development and asked them not to look upon these people as bad neighbors. They will add to our community.

Mayor Olson asked if there were any other proponents.

J. T. Smith, Beartooth RC&D, stated that his organization strongly promotes housing in the five-county area and likes to see this type of project. He addressed the issue of the larger lots versus the smaller lots. The reason for utilizing property to be subdivided into smaller versus larger lots boils down to the economy as being able to afford wages that support purchases for employees and small business owners to buy amenities and things like houses. After reviewing the proposal by Solid Foundations, he was amazed that if this went to one acre lots, the lots could cost over \$100,000. Many lots within the City of Laurel are zoned R6000, and this is not new but only adds to the existing community as is now. According to the Montana Realtors Association, these homes in the R6000 areas range from \$100,000 and \$180,000, depending on the condition of the home. There is a large need for houses in the region that range between \$80,000 and \$120,000, which is what people can afford. By implementing this program, people are enabled to take that sweat equity and build a home that would increase the appraisal value into the range in which typical R6000 houses are valued. This would also address the need for moderate housing in the area, which would be a common attempt to discriminate against people based on race, familial status, and disability by creating minimum lot sizes larger than what the common person can afford.

Mayor Olson asked if there were any other proponents.

Kevin McGovern, 4107 June Drive in Billings, owns a new company that serves the Yellowstone County area. They build streets, site developments, and move excavations. His two partners reside in Laurel. They have been in business for eight months, and he understands the need for a development like this. His employees, who make a wage above median income established in the State of Montana, cannot afford housing. The escalation of home sales in the Yellowstone County area is pushing it out of reach, making it unachievable for people that make \$25,000 to \$40,000 a year. Kevin stated that it was worthy of repeating that bringing in new homes would increase the tax base for the community, would provide jobs, and help build the community. He asked the council to support the project.

Mayor Olson asked if there were any other proponents.

Jodi Hoppel, 907 8th Avenue, questioned Alderman Oakes' earlier comment regarding whether or not a needs assessment was done. She was curious that every time the water and garbage rates were increased and people came in here and said that they could not afford it. She questioned if he knows if those people buy or rent their homes and if he knew the people that he represents enough to know what they can or cannot afford, and what financially they can do with or without. She stated that he is representing the people that live here. Jodi introduced two wonderful people to this program who work night and day to make \$24,000 a year. They are the most deserving people in the whole world to get this house and will work thirty hours a week for nine months to own a home. For opponents to say that these people that work on their own home are low income insults about 75 percent of this town. Our city is growing and bursting at the seams. We want to expand and people want to come to this community. She asked the city council to think about it.

Mayor Olson asked if there were any other proponents.

Todd Scherer, 7660 Molt Road, Billings, definitely thinks that this would be a good thing for the Laurel community, as well as himself. He works with CMG, and hopefully they would be working on this project. Todd is interested in a home, but homes in Billings cost more than he can afford. He strongly suggested that the council take consideration in proceeding with this project.

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

Mayor Olson asked if there were any opponents who would like to testify or provide written evidence for the record.

John Becker, 917 West Main, distributed information to the council. To dispel some rumors, he stated that he would like to see this area developed and see some homes in there. He refers to it as spot zoning and high density housing. He stated his concerns regarding the storm water retention pond. He contacted an independent engineering firm, who looked at the drawings and submitted a report. The report was included with a letter from the Crowley Law Firm that was distributed to the council today. In the City-County Planning Board meeting, it was noted that the water table is at 15 feet. The meter pit in front of his shop pumps water at 3½ to 4 feet on a daily basis. The engineer also brought out several things that should have been caught in the very beginning. Storm water is a serious issue, and the engineer mentioned that there cannot be an increase of runoff in that area. Historically, that 4.4 acres drain into the irrigation ditch which is on the south edge of the 4.4 acres.

The plan was to take that water, put it in a retention pond, and drain it into another ditch. For some reason, it was missed that those two ditches are irrigation ditches. You cannot just alter storm water drainage and put it into another ditch company's ditch without their express written permission. That is a serious problem. Also, two horses in the area had West Nile disease last summer. If the retention pond is put in at four-foot depth, there will be about a foot of water in it all the time. That has been proven over there. They did no soil test, and they did no groundwater test. You have to go through the testing process in the spring and summer during irrigation. That was not properly done. The engineer was very surprised that, if Laurel allows grinder pumps in this subdivision, they are opening the door for every developer in this area to quit using lift stations, which is the recommended method for elevation changes. John asked if that is something that Laurel wants to open the door on and be responsible for. He would love to see this area developed, but the lots are too small.

Cindy Herman, 828 West 4th Street, gave her three minutes to John Becker.

John Becker continued and stated that there are other issues with the sewer line. Within the last two weeks, the city was pumping out the sewer line. It causes some concern when they see the truck up there working two areas of the sewer line, and he questioned how twenty-three more homes would affect it. He would love to see it developed and to see some neighbors in there, but the high density zoning, the R6000, is too small and does not blend in that area. Also, it will impact further development in that area. If you pack that many houses in that small of an area, it will cause some problems for future development. There are other concerns in Mr. Brown's engineering report, but the main ones are the storm water issue. According to state laws, you cannot dump that into another ditch company's ditch without their written permission. You cannot take it from its historical drain pattern. And they have done that, they want to do that. He questioned how you can have a plan with a temporary turnaround and a temporary retention pond. He asked when it would become permanent and what a permanent solution is for this. He asked if there is a permanent solution for the traffic problems. John's other concern is that the Laurel Development Corporation members are on this council. He finds that disturbing and sees that as a direct conflict of interest. He has done some research. John said that Mr. Painter states the State statute that refers to the State legislators, but he does not feel that applies in this case. John feels that the sections 2.2.105(2), 2.2.121(2E), and 2.2.121(4) and 2.2.121(4b) all do apply to this council. The Laurel City Code 2.10.060, Rules of Conduct, also apply.

Roger Bare, 1021 West 4th Street, gave his three minutes to John Becker.

John Becker continued and stated that city code says you should not partake in proceedings like this if you have an interest. He really feels that a \$475,000 promissory note on that land with the Laurel Development Corporation constitutes a financial interest. He would like to see that area developed, but he thinks it is in the best interest of this due process that those members exclude from this. He suggested that it may be time to step back, take a look at this, and redo the whole thing and really look at the engineering. He asked the council not to pass something that they know is not going to work. Laurel has enough problems to deal with as it is, and we do not need to make any more. John asked if we are willing to let every contractor circumvent the use of installing lift stations and if anybody has looked into the long-range consequences of that. It is not the recommended method at all. John is against the zone change. He stated that he would like to see that area developed and would welcome these people as neighbors, but everybody talks about we are going to have more tax base. He questioned whether or not the tax base would be worth it if the sewer and water lines have to be replaced on 4th Street. He question what would happen when the storm water retention area is a problem and stated that the only logical way to do that is to pipe it down to 8th Street.

Carl Holden, 837 Hwy 10, gave his three minutes to John Becker.

John Becker asked the council members to read the information distributed and review the engineering report, which he stated found many problems. He stated that the residents should not have had to go find the problems. Comments have been made that the residents need to get involved in the decision-making process. Mr. Becker stated that perhaps it would have been better served to have had more initial contact with the city planner. He acknowledged that the council has a tough job to decide issues, and he asked the council to make decisions based on the best information provided. He questioned whether anyone had looked for a better suited location in a surrounding area. John stated that core samples need to be done, especially in the southwest corner where some of the houses would be built on an area where there were settling ponds.

Neta Bare, 1113 West 4th Street, opposes the Solid Foundations proposed zone change. Neta grew up in a very low income home. She invested four years to receive a bachelor's degree in human services and desires to help people. Neta read the following statement:

To each of you as city council members, city paid employees and planners, we realize that decisions you are called to make in Laurel's economic development are very complex. We expect all decisions of the city council and the City of Laurel to be made with integrity and character. Nothing else is acceptable.

We strongly request the city council to consider the outcome of the vote concerning this proposed zone change. This subdivision is being proposed by the Laurel Development Corporation (LDC), with some members of the LDS being on the City-County Planning Board, and other LDC members being members of the city council, with other LDC members being city-paid employees, with yet other LDC members being the city planner, it seems very complex in its entirety. One that hints of conflict of interest to some and an obvious conflict of interest to others.

For example, with the LDC securing a loan for \$475,000 and ownership of the property to be developed, this leaves LDC members financially obligated to pay that money back. If members of the city council, who are also LDC members, for some reason vote against the proposed development, then that leaves those same persons, who are also LDC members, with the financial obligation to pay off the loan on the property yet, with no incoming revenue to pay it off.

So it appears that those city council members, who are also LDC members, have only one way that they can vote, because of the financial obligation that they personally have while wearing the LDC hat along with the city council hat. As these people sit on the city council, which hat are they wearing? It seems, due to the commitments as LDC members, that because they are wearing two hats that, if when in conflict with each other create a blatant conflict of interest that cannot be denied. Tonight as this matter is considered, are the council members considering the issue in light of the benefit to the citizens of Laurel, or in light of the benefit to their involvement with LDC?

It appears to be critically important for independent land developers to be the developers for land that needs approval by city officials. We implore the City of Laurel to use independent land developers in Laurel's economic development plan, thus allowing for impartial decision making so that this type of opposition will be avoided in the future.

Mr. Cumin stated in a letter to us through the County Attorney that we "would be better served by getting involved in the decision-making processes with those required to deal with such change." Yet he never contacted the community to ask for involvement in the planning process of this subdivision. My husband and I first became aware of any plans in October when we saw the job site office trailer on the land. We then started asking questions."

Keith Wood, 1321 Meadow Circle, gave his three minutes to Neta Bare.

Neta Bare continued.

"When we saw the job site office trailer on the land, we started asking questions. Since then we have become as involved as has been allowed. We realize that growth in our neighborhood will be a part of Laurel's economic growth. We support growth in our neighborhood that is 1) done by an independent developer; and that 2) retains the current R1 acre zoning. This growth will allow for the area to be uniform in its growth, and will not allow for subdivisions to be segregated from the rest of the area. We support Laurel's efforts to provide fair housing to all citizens. Again, please remember, I invested four years to obtain a human service degree. I understand the needs of people, please. We support the philosophy of independent self-help programs that will allow subdivision to be build that will fit in with surrounding zone restrictions. We wish the best for all participants of the proposed subdivision and look forward with anticipation to them seeing their dreams fulfilled in a location that will provide the subdivision with all the requirements of space, water table levels, and proper zoning. Thank you for your honest consideration in this complex issue."

Ron Herman, 828 West 4th Street, is opposed to the LDC subdivision and the required zoning. He is concerned about the extra forty or fifty cars that would travel down West 4th Street many times a

day. There would be only one way in and out of this subdivision, and that would be down his street. Ron is also concerned about the safety of the children that would live in this subdivision, as they would be walking, riding bikes, and playing on this busy street. The current homeowners do not want to pay SID's to fund sidewalks that they do not want or need at this time. Ron asked who would receive the \$805,000 from the sales of the 23 lots at \$35,000 each. He would bet the LDC members will line their pockets nicely. He questioned where some of the other \$3 million grant money would wind up. He thought the LDC was set up to help small business in the area, but he stated that the LDC did not even borrow the money for the land purchase in the State of Montana. Ron stated that this whole project smells of fraud to him. In his opinion, if the city council members support this, or any part of it, they will surely be opening up the city for law suits.

Leonard Lawver, 1303 West 4th Street, is opposed to the zone change for the proposed subdivision. He spoke in behalf of the West City Ditch Company. Leonard read the following statement:

This is addressed to the Laurel Development Corporation, Solid Foundations Subdivision, and the Laurel City Council. West City Ditch Company was incorporated in 1946 and at the present time we have 24 shareholders. West City ditches run through the far north side of this proposed subdivision and supplies water and drainage for our shareholders to the east of that area. We were never approached about any proposed changes to any of our ditches, such as culverts, maintenance, liability, and so forth. Like John Becker said, any changes that are made to this ditch have to be approved from the Board of Directors of West City Ditch Company. As a company, we are concerned about concentrating so many houses in such a small area and the contaminations of this concentration could produce. We are concerned about any contaminants that might make their way into our ditches such as Ice Melt, oil, pesticides, herbicides, and so on. We are concerned about where your irrigation water will come from and where your waste water and your run-off water will go. We are concerned about possible flooding when our ditches are running full and during peak irrigation times. A rain storm can cause excessive run-off and flooding. We are also concerned about liability for children and animals falling into our ditches. Who will take responsibility for all of this? Our company has the right of way to maintain our ditches, which include burning, maintenance in general, and backhoe work. A backhoe needs a minimum of 20 feet to operate to maintain those ditches. The ditch company has operated in this area for 59 years and has not had any problems with contamination runoff such as Icemelt or oil in our ditches because of the nature of the subdivision that it runs through. We are opposed to the zone change.

Linda Sturman, 1009 Old Highway 10, is opposed to this development. They do not want anyone to put ponds next to their property. There is already enough trouble there with West Nile in the area. Water levels are less than four foot even on a dry year. Twenty years ago, the EPA stopped the tailing ponds that the oxygen plant put in. Whatever was in the ponds killed all the vegetation on both sides of the fence and nothing has grown since. Regarding ground water, you can dig a fence post hole less than three feet and hit water, which is a far cry from the 17 plus down. Linda stated that the last flood was in 1996 or 1997, and it happens every five to ten years. She stated that the whole area is under floodplain. Linda asked where, why, and when the people of this area and the town of Laurel are going to be told where the taxpayers' monies are being used. She questioned why the general fund was used, how much is being used for the Laurel Development Corporation, and how this is going to be replaced. Linda stated that the residents cannot get the city to fix the streets or to send a dog catcher out to pick up stray animals, as they are located in the county. Linda mentioned that the city does not take care of the utility lines in this area, as the residents are responsible for the private line. Linda wants to know about the core sampling and stated that no core sampling has been done. She also wants to know when and how the expenditures of the Laurel Development Corporation are going to be put for the public's viewing, as it is state law that grants can be viewed by all.

JoAnn Kostelecky, 939 West 4th Street, is opposed to the rezoning of the Solid Foundations Subdivision. She would like to know if newer, larger sewer lines will be installed down West 4th Street. Eight-inch line would not be able to take storm run-off for an additional 23 homes. JoAnn questioned if the City of Laurel would pay for damages if the residents incur sewer backup problems and mold spore issues. She questioned the effect on the resale value of homes, the health risks of having holding ponds for excess water, the possibility of annexation, the possible increase in property taxes, the possibility of an injury if a neighborhood child is hurt on the playground equipment at West School, the purchase and upkeep of the proposed grinders and pumps, and whose insurance company will pay for lawsuits.

Shannon Ketterling, 943 West 4th Street, is opposed to the rezoning for the 4th Street Subdivision. Shannon stated that they are not against the people moving in to this subdivision, and they are not against the subdivision itself, as this is an excellent idea. They are against using the proposed piece of land for the subdivision. In the subdivision plans as of December 2, 2004, the LDC has proposed 23 houses on 4.47 acres. This subdivision would only allow for one narrow street down the middle of two rows of houses. Because of the size of the lots and the size of the houses with garages on these lots, all services including garbage, would be placed at the front of the houses along this street, creating cluster and an eyesore. With the street being narrow, there is also an issue of accessibility for garbage trucks and emergency vehicles. According to Shannon, Rocky stated on December 2, 2004, to the city planning board that there would be two gates on the south side of the subdivision, one at the subdivision and one at the highway, that would remain locked after construction was finished. Shannon expressed concern about access and convenience for emergency vehicles. Shannon stated the issue of what the children in this subdivision would have to do. Rocky Smith stated that there was a playground relatively close for the children to go to. He was referring to West School. Shannon stated that it is against the law for any individual to play on school equipment when school or a school function is not taking place. If Rocky is asking that West School allow these children to use their equipment as a playground, he is also asking the school to be responsible if one of them gets hurt. There is a pond to be built, necessary for the runoff water of this subdivision. It will be directly south of the housing. Rocky has stated that it will be four feet deep during high run off. Because of the water table and the type of ground in this area, this pond will have no way of dissipating other than evaporation. It will remain approximately two to four feet deep year round. Shannon believes this is where the children will go to play and no fence will keep them out. She guarantees there will be a drowning. The theory about the pond for runoff water will be proven, not only dangerous, but ineffective, resulting in a drainage system being installed that would need to run all the way to 8th Avenue. This project will be extremely expensive and it will require SID's placed on the citizens of Laurel. Leaving this lot at R1 would allow for a wider street with a turnaround, larger yards, and possibly a small park for the children to play in.

Laura Vaughan, 836 West 4th Street, gave her three minutes to Shannon Ketterling.

Shannon Ketterling stated that it would not require a pond for runoff water. Another issue is that the 23 houses would tap into the 8-inch sewer line running down 4th Street. This line, which is a private line put in by the current homeowners, is already running at full capacity. When put in, the line was not intended for much more than what it currently uses, which includes 27 houses, two apartment buildings, and a church. There are already problems with the sewer line, and adding 23 homes would only make it worse. The line had to be pumped on Wednesday, December 22, 2004, and then again a week later further down 4th Street. Because of the LDC's poor planning concerning this subdivision, eventually the line will need to be completely replaced; hence, more SID's. The city attorney has stated that conflict of interest requires some type of financial benefit to the parties involved. Shannon stated that all council members have sworn to uphold the Laurel Municipal Code, which does not. Another twist to the conflict of interest argument is that maybe the Laurel Development Corporation as a business does not benefit financially by any decisions made. But its Board of Directors does, and if this zone change does not pass, this Board of Directors will be faced with a hefty loan to repay. So it is in their best interest to persuade their fellow council members to vote yes on the zone change.

Marcheta Becker, 917 Highway 10 West Main, is opposed to the 4th Street rezoning to R6000 from R1 for the Solid Foundations Subdivision. She would like to see development in this area stay at R1 so it would blend with the existing area. She asked the city council members to review all documents and listen to the community. She stated that, since this campaign was started, she has seen the community lose what little confidence they had in the city council, and this is not good for any community. The community looks to the council for its good solid judgment. She strongly feels that due process was not followed and the research for this project was inadequate. The surrounding neighbors and landowners of this proposed subdivision have spent endless hours out of their busy schedules to educate the council. Marcheta stated that it is now the council's turn to vote with a conscience and the integrity they vowed to uphold.

Phyllis Bromgard, lives at 216 Yellowstone on the south side of town. She asked the council if they would like this pond next to their brand new home. In her opinion, a council member should not serve on another board. She thought it was a rule that employees live in Laurel, and she thinks that people that live outside of Laurel do not have the capability of knowing what Laurel people want. She is not against the new homes, but she thinks it needs to be in another location that would not cause all the trouble it would cause in this vicinity.

Marge Herman, 837 Old Highway 10 West, is opposed to the LDC subdivision and the rezoning that it would require. She asked why we have to have someone like Cal Cumin come in and tell us how to run our city and our county. She asked whether the elected people could do this without him telling how and when to do it. A few years back, the land on the north side of Highway 10 rezoned residential when it was already zoned residential commercial. She wanted to know why these new houses can have new sidewalks, curbs, and streets when the rest of the city needs improvements a lot more. Billings and Hardin decided they no longer needed Cal Cumin's advice, and she is sure that our elected officials can make the same decision. Marge stated that they were elected you to run our city, not Cal Cumin. After talking to many Laurel taxpayers and business people here in town, she recommended that Cal Cumin step down.

Charlie White, 2311 East Maryland, is opposed to the current proposal. He expressed concern regarding the ground and stated that it is not stable and suitable for the proposed density. The sewer plant is out of date, the water plant needs work, and the city does not need additional infrastructure. He does not think the engineering makes much sense to put something like this in there. Charlie stated that half of the proponents do not even live here and are not on the tax base. The proponents talk about what a good idea it is, but half of them do not even live in Laurel. As a concrete contractor, he could make a lot of money off this proposal. He thinks it is not correct and everyone will pay for this down the road.

Kristin Omvig, an attorney with the Crowley Law Firm in Billings, represents John and Marcheta Becker regarding the proposed Solid Foundations Subdivision. For the record, they submitted a letter outlining concerns pertinent to the Solid Foundations Subdivision, as well as a report that was prepared by Keith Brown, with Brown and Associates Engineering and Platting in Park City. His report notes records of concern, and Kristin commented on those concerns. The first concern relates to the proposed construction of a temporary retention pond. The existence of such a pond, whether a retention or a detention pond, raises serious concerns. The viability of the pond concept rests upon the environmental assessment's assumption that the static water level average in this area is in fact fifteen feet. They believe that is not the case and have heard testimony to that effect. The evidence of record actually demonstrates that at given times, the water level in that area may be three to four feet. What this means is that natural evaporation of a pond will not occur. Rather, water will remain in a pond and if it is as deep as or deeper than the existing groundwater level, there would be standing water. When there is standing water, there is a breeding ground for insects. With outbreaks of the West Nile Virus in the past years, this raises significant health concerns for this area. Another option that has been mentioned is to discharge storm water. Testimony was heard that in fact that is not appropriate either. There is no record of evidence that exists to identify the exact nature of the subsoil in this area, nor their ability to handle discharge of water. Mr. Brown's report notes concerns regarding the limited ability of clay soil in the area to allow movement of water. At a minimum, testing is needed to confirm that percolation is possible in this area. There is not sufficient evidence of record to demonstrate the nearby irrigation ditches have sufficient capacity to accommodate this discharge. The subdivision anticipates adding up to twenty-three new residences. Based upon the environmental assessment provided, they are projecting an additional 7,200 gallons of effluent to be produced per day. The application proposes pumping that effluent uphill to West 4th Street. However, there is no evidence of record to confirm that the line at West 4th Street has sufficient capacity to handle that additional effluent. Lack of capacity is a big concern here. If the line does not possess sufficient capacity, sewers back up and future upgrades would be required. It does not appear that the developer in this instance proposes to be responsible for those upgrades. Costs incurred for any upgrade would likely be passed on to the landowners in this area. Mr. Brown noted a concern regarding the use of grinder pumps in this area. She stated that the more appropriate method would be the installation of a lift system, and although more costly to a developer, it promotes health, safety, and welfare of the community.

Marilee Wold, 1224 West 4th Street, gave her three minutes to Kristin Omvig.

Kristin Omvig continued. The LDC has proposed changing the zoning on this from residential tract zoning, which in fact is designed for a single-family residential home on a minimum of one-acre land, to Residential 6000. Under the code, Residential 6000 is intended to promote an area for high urban density duplex residential development. She stated that the zone change is not compatible with the character of this district. Rather, such a zoning designation serves to create an island of high density residential within a myriad of one-acre tracts. She stated that this proposal constitutes spot zoning. The council is well aware that there are questions regarding whether or not a conflict of interest exists precluding certain members from voting. She reminded the council that under Montana law, their primary obligation in this matter is to the health, safety, and welfare of the community. Kristin stated that issues have been identified which have not been properly addressed

and that the application and zone change as submitted does not answer significant questions pertaining to this project. Montana law requires that it meet certain statutory requirements and it is the council's job to determine if this proposal in fact meets those statutory requirements. She suggested that it does not, and requested that the council deny the zone change and application.

David Bare, 1113 West 4th Street, is opposed to this subdivision because it segregates the whole subdivision by putting it in as proposed and will never integrate into the city as it is planned. There is no place for 2nd or 3rd Streets to come through this subdivision, which would require it to leave out some houses and actually put roads in for future development of this area. Most of the concerns are stated in the letters that the residents submitted and with the testimony given at this public hearing. David believes that this was not planned out very well. A comprehensive future plan for this area would include 2nd and 3rd Streets to run through this area and would not put houses where roads should be for future development. Eventually, this whole area probably will turn into city. David stated that there are some big issues with groundwater in order to put in this many houses. To put this subdivision in a block type system so that whenever the city does come out the rest of the way, it will integrate into the city and be part of the city rather than just being a hodgepodge of houses stuck together with no through streets. He has driven through cities with dead end streets, and you have to drive around a fenced housing development or a fenced park because of a lack of planning.

Mayor Olson asked twice if there were any other opponents.

Lee Vaughan, 836 West 4th Street, stated that his major concern with this development is the use of taxpayers' money to do it. He does not know if all the forms have been filled out and the grants have been received. He questioned what would happen if approval is received but the funding is not. He knows that it takes time to get government paperwork done. It is taxpayer money that they are going to make money on. Lee said that you can call it non-profit or whatever you want to call it, but people are making money. Whatever way you look at it, people are going to put money in their pockets. Otherwise, they are not going to do it as nobody does anything for nothing.

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

Mayor Olson stated that this concludes the presentation of evidence on this matter.

Motion by Alderman Poehls to close the public hearing, seconded by Alderman Dart. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

At 8:10 p.m., Mayor Olson called for a recess of the council.

Mayor Olson reconvened the council meeting at 8:25 p.m.

- **Zone change request for Tract A, Certificate of Survey 826, (904 Yellowstone) from Residential Manufactured Home to Residential Tracts.**

Mayor Olson opened the public hearing and began with staff's introduction of the matter to the council.

Cal explained the zone change request from Laura Zahm and Matt Heiney at 904 South Yellowstone. The zone change request is for a four-acre tract of land in southwest Laurel from mobile home zoning to residential tracts. The Planning Board held a public hearing and recommended approval to the city council. Cal prepared a planning report that was submitted for the record because this was an isolated zone change. There is a valid legal protest as fifteen of the twenty-two surrounding properties have protested.

Mayor Olson presented the applicant, Laura Zahm, to the council.

Laura Zahm stated that the goal is to legally have a horse in their pasture. They have four acres of pasture and would like to have a horse legally without anything else. She stated that the neighbors all do not like it and are trying to dictate what she can and cannot have on her property. Laura's house, which was built in 1914, is a wooden structure. There is a barn, a Quonset, a garage, and some lean-to shelters for horses. Laura stated that it was a farm and they moved into a farming community. She thinks it should be a farm, but it is not zoned that way so that is why the zone change request was submitted.

Alderman Dart asked what kind of livestock Laura currently had residing on the property.

Laura stated that she had a horse and some cats in the house.

Alderman Poehls asked if any irrigation ditches run through the property.

Laura stated that one irrigation ditch runs down 9th.

Alderman Poehls asked if the ditch runs beside or through her property.

Laura stated that it runs beside her property. There are ditches out there to irrigate the property, and it comes from the Italian Ditch. Laura stated that there are horses across the street behind the refinery and there are horses currently residing on property that is zoned manufactured home and owned by Montana Sulphur Company, according to the records she got from the county. Her neighbors across the street also have horses.

Alderman Poehls asked if she has a well and septic system.

Laura has a septic system and is on city water. She stated that a city water line runs down the street and is owned by the four or five people that are on city water.

Alderman Poehls asked how many in the subdivision are on city water.

Laura stated that about five, including Montana Sulphur, Hergenreiders, and her property.

Alderwoman Johnson stated that she saw a horse on the property when she drove by recently.

Laura stated that she leases the property to the horse's owner. She has never owned any horses yet. They got some chickens, and the whole neighborhood was in an uproar about the chickens so she got rid of the chickens. It is a loss of income if the pasture is not rented, and the grass grows really tall and unruly. It is a farm, and she would like to have that farm.

Alderman Dart asked if, at the time of purchase, the realtor represented the property zoned for horses or livestock type.

Laura said of course not, but everybody told her that she could have horses and whatever she wanted. There are four acres outside the city limits and you can do whatever you want. That was wrong. The previous owners and the realtor told her that horses were permitted, and three of the people who signed the petition have approached her about putting horses on her property. Now they do not want the zone change so the land will either be left empty or maybe she will turn it into a trailer park. It is zoned for manufactured homes, but she would really like to have a horse.

Mayor Olson allowed Cal to speak.

For the record, Cal read the purposes of zoning as required by State law. (The purposes of zoning are listed in the minutes at the beginning of first public hearing.)

Mayor Olson invited members of the audience to present their evidence to the council for their consideration.

Mayor Olson asked if there were any proponents who would like to testify or provide written evidence for the record.

Steve Wellsby, 1032 Competition, Billings, represents Laura Zahm, who is his sister-in-law. As he sees it, Laura moved into this community two years ago and bought the property with the intention of having livestock. She began allowing her neighbors to bring in their livestock to graze on the land. Then there was a dispute of financial matters regarding the lease of her land for the horse. Ever since this dispute between the Laura and the neighbors, the neighbors have been trying to dictate how Laura can use her property. They have called the police with a noise disturbance because the rooster is crowing at 5:00 in the morning, and he does not believe there is a noise ordinance there. They call the police on any accountability they can to point the finger at her and get her in trouble. The bottom line is that the neighbors are trying to cause a disruption and have a conflict. That is really relevant of how they are trying to dictate what they want with their property. The neighbors think that they are trying to bring in hogs and do not want the smelly environment. She wants to have livestock, horses, chickens, and possibly make an income out of this. Laura's

husband works and she is a homemaker and is looking for some type of income in order to better herself. Having the ability to run livestock and do the farming needs, he believes will give Laura some type of personal growth and a learning experience that there is no other way to do it. If she cannot do it with this property, she may have to give up, sell it and move on and do it somewhere else. The property has always been used for livestock in the past and around the area. If you drive out in that area, you see horses and you see livestock. For her to have to go through this hurdle of getting it changed and having the neighbors putting up a fit because they do not want a horse there, Steve thinks is more of a dispute of the neighbors dictating what she can do with her property.

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

Mayor Olson asked if there were any opponents who would like to testify or provide written evidence for the record.

Walter Ralph Murphrey, 403 Badger Square, asked the council to deny the request for a zone change. He distributed a map to the council. He believes there is a valid concern for requesting this denial. With this zone change, he understands that Mrs. Zahm would be able to have livestock units, including horses, cows, chickens, geese, swine, goats, etc. The surrounding property owners do not want chickens, swine, goats, or a potential mini-farm next to their property because of the smell, the noise, and the aesthetics. They have shallow wells in this neighborhood, which is their only source of water, and they are concerned about groundwater contamination. They are also concerned about how a potential mini-farm right next to our property would affect property values. As shown on the map of the Quesenberry Subdivision that he passed out, the property owners highlighted in pink signed a valid petition requesting that the zone change be denied. If Mrs. Zahm only wanted to have a horse on her property, which is what she said, the property owners would not object to a conditional use application for her property. They feel that a zone change is an unreasonable request for this subdivision and should not be approved simply because she applied for it and has four acres. At last week's city council workshop meeting, Walter noticed the extreme pride that the council has with the direction it has led the City of Laurel in an effort to make it a more desirable and pleasant place to live, work, and raise families. Mr. Murphrey asked the council to make another decision about which they can be proud by voting no for the requested zone change at 904 South Yellowstone.

Jered Hergenrider, 938 South Yellowstone, has attended several council meetings during the last two months and has heard the council discuss improvements for the City of Laurel. They are asking for the same consideration in their subdivision. He did not move in to a farm and that has not been a farm for many years. The subdivision was started thirty years ago and has not been farm land. The only time her pasture has been irrigated was when Jered rented it and irrigated it. The problem arose when she decided to have chickens and nobody has ever said anything about the horse on her property. Jered stated that a council member just asked her how many and what type of animals she had on her place. Jered stated that she lied because she has a chicken, and he has a recent picture of it. She was told to get rid of the chickens but has not done so. The previous owners told the Hergenriders that they could not have fowl, pigs, swine, and whatever. When the property was sold, the previous owners told Laura that no swine or fowl was permitted on this property. There are horses around this subdivision, and he does not have a problem with her having a horse. If the zone change is approved, she would have the right to have other animals and then future owners would have the right to have these animals. Jered asked what happens when the animals are neglected and who they would notify to solve problems. This issue began because she had squawking chickens next to his house, and she wants to state that it was because she has a horse.

Karcy Hergenrider, 938 South Yellowstone Avenue, thanked the council for allowing her to speak. She reiterated two important points. First, she remind the council of a letter from a realtor who states that this kind of zone change, or spot zoning, can devalue property as much as 40 to 60 percent and sometimes make it impossible to market. Second, the Quesenberry covenants, of which Karcy had a copy, states, "unequivocally, livestock of every kind and description shall be prohibited from said subdivision, except household pets and/or one horse per lot or tract. Lots or tracts shall not be used as locations for breeding, rearing, or maintenance of pets for compensation." The document was signed by Eunice Quesenberry on August 11, 1972. Karcy pointed out that the property east of Yellowstone Avenue is owned by the refinery and is not considered in any way part of Quesenberry Subdivision. The property on the north side of 9th Street South also was never portrayed as such. They chose to live next to the refinery when they purchased their home six years ago. They did not choose to live next to a property that could have any type of barnyard animals. If this passes, it will be of no choice of theirs. They have horses across the street. When they rented Laura's property, they were not aware that horses were not allowed, because the covenants allow one horse on a lot.

Marvin Jewett, 830 Yellowstone Avenue South, stated that he does not mind one horse per lot. His biggest issue is who is going to pay the noxious weed bill that flies across his property all the time. There is a lack of maintenance on Laura's lot. Marvin has improved his lot and is tired of spraying for weeds. Cenex Refinery and Montana Sulphur spray for weeds and have made a lease agreement with the people with horses on their industrial agriculture land to maintain the fences. As for the ditch rights, he does not believe she has ditch rights off the Italian Ditch. When she had a horse there at least one time, it was a dry and dusty pasture. He questioned whether she can raise hay for that one horse, if it would be her horse instead of leasing the pasture. If the pasture is leased, Marvin thinks the livestock inspector should inspect the horse before it comes on the property and before it leaves.

Faith Jewett, 830 Yellowstone Avenue South, bought her house in 2001 for \$56,000 and has invested over \$46,000 in her home. She does not care if Laura has a horse on their property, but her main concern is that fowl and pigs are not allowed. The previous owners of Jewett's property had pigs and fowl and the contaminated soil had to be hauled off the property. Faith has worked hard on her 3¾-acre tract and made it livable. She has kept down the noxious weed and trimmed all the bushes. Faith has called the county regarding the trees on Laura's property. The ditches that run through Laura's property are overgrown and are no good. Faith has lived in this subdivision for over nine years. Faith stated that there were horses on the property, the owners never turned the soil or watered the field. As a realtor, she knows that noxious weeds will decline the value of property. The value of her property has increased from \$65,000 at the time of purchase to \$185,000 now, and she would like to get the value of her property when she decides to sell it. She does not want farm animals living across from her house. Faith wants to know if Laura plans to lease the pasture or if she will own the horse, and if she is going to fix up the property.

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

Motion by Alderman Easton to close the public hearing, seconded by Alderman Oakes. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

- **Intent to create Special Improvement District No. 111.**

Mayor Olson opened the public hearing.

Mayor Olson stated that SID No. 111 would support the big project on East 1st Street. One letter of protest was received regarding proposed SID No. 111.

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

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

Motion by Alderman Dart to close the public hearing, seconded by Alderman Oakes. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

CONSENT ITEMS:

- **Clerk/Treasurer Financial Statements for the month of December 2004.**
- **Approval of Payroll Register for PPE 01/02/05 totaling \$122,851.41.**
- **Receiving the Committee Reports into the Record.**

--Budget/Finance Committee minutes of December 21, 2005 were presented.

--City-County Planning Board minutes of January 6, 2005 were presented.

--Council Workshop minutes of January 11, 2005 were presented.

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

Motion by Alderwoman Stevenson to approve the consent items as presented, seconded by Alderman Poehls. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

CEREMONIAL CALENDAR: None.

REPORTS OF BOARDS AND COMMISSIONS: None.

AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT): None.

SCHEDULED MATTERS:

- **Confirmation of Appointments:** None.
- **Resolution No. R05-03: Resolution authorizing the Mayor to execute an agreement and change order with “High and Dry Floodbusters.”**

Motion by Alderman Poehls to approve Resolution No. R05-03, seconded by Alderman Dart. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

- **Resolution No. R05-04: A resolution of the city council to increase the amount of call out pay for members of the Laurel Volunteer Fire Department.**

Motion by Alderman Dart to approve Resolution No. R05-04, seconded by Alderman Oakes. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

- **Resolution No. R05-05: A resolution of the city council committing \$15,000.00 of city funds as matching funds to enable the city to pursue a Preliminary Engineering Storm Water Grant from the State of Montana.**

Motion by Alderman Oakes to approve Resolution No. R05-05, seconded by Alderman Poehls.

Alderwoman Johnson asked if the Preliminary Engineering Storm Water Grant would allow the city to study the storm water problem discussed tonight.

Mayor Olson stated that it would be a city-wide study for the storm sewer system, not for one particular facet.

Alderman Oakes stated that study should have been done by the developer at the very beginning of the project.

A roll call vote was taken on the motion to approve Resolution No. R05-05. All six aldermen/women present voted aye. Motion carried 6-0.

- **Resolution No. R05-06: Resolution authorizing the Mayor to appoint a local insurance representative for the City of Laurel and to execute the documents required by the Montana Municipal Insurance Authority “MMIA” to effectuate the appointment.**

Motion by Alderwoman Stevenson to approve Resolution No. R05-06, seconded by Alderman Dart. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

- **Resolution No. R05-07: Resolution authorizing the Mayor to execute an agreement with “Beartooth RC&D Economic Development District.”**

Motion by Alderman Easton to approve Resolution No. R05-07, seconded by Alderman Oakes. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

- **Resolution No. R05-08: A resolution amending Resolution No. R03-103 extending the contract with Olness and Associates for auditing services through fiscal year ending June 2004 and authorizing the Mayor to sign said contract for the City of Laurel.**

Motion by Alderwoman Johnson to approve Resolution No. R05-08, seconded by Alderman Dart. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

- **Resolution No. R05-09: A resolution of the City Council selecting sidewalk projects within the City of Laurel for CTEP funding assistance, approving submittal of a CTEP application, and authorizing the Mayor, City Council, and City's staff to execute all requisite documents in order to complete the CTEP application and properly administer it after it is obtained.**

Motion by Alderman Poehls to approve Resolution No. R05-09, seconded by Alderman Oakes.

Cal Cumin explained that this project was discussed at the last council meeting. The sidewalk projects included in the application include Nutting Park, Thomson Park, and East 1st Street. The total amount of the construction project is \$385,495. When discussed at the council workshop, the CTEP funds were at \$202,500, which included the city's engineering costs. The city must contribute \$35,000; however, the city might not get reimbursed for the \$17,000. The construction amount remains the same, and all of the \$218,500 CTEP funds will be used. The local match is \$29,323, including the SID. The application requires signatures by all the elected officials.

A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

- **Ordinance No. O05-01: An ordinance amending Chapter 12.32 for the purpose of creating a City Tree Board and revising the City's Tree Ordinance to provide a comprehensive plan for tree planting, maintenance and removal and to provide a penalty for violation thereof. First reading.**

Motion by Alderman Dart to adopt Ordinance No. O05-01, seconded by Alderman Oakes. A roll call vote was taken on the motion. All six aldermen/women present voted aye. Motion carried 6-0.

The public hearing of Ordinance No. O05-01 will be on the council agenda on February 1, 2005.

ITEMS REMOVED FROM THE CONSENT AGENDA: None.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT): None.

COUNCIL DISCUSSION:

Alderman Easton and Larry McCann went to Helena last Wednesday to testify at the hearing for the wastewater plant project. The City of Laurel is number thirty-four out of forty projects that will be funded. The executive review is scheduled for January 25th.

Mayor Olson stated that the DNRC and TSEP grants would provide about \$600,000, if the applications are successful. Those funds and the \$433,000 from the Sewer Fund would allow the city to go forward with the phase to address the sewer infiltration problems in the open fields. It would also increase the city's ability to service the storm water throughout the town. It is a giant step forward and is a continuation of the program that was incorporated in the Alder Avenue project.

Alderwoman Stevenson commented on the Swimming Pool Committee meeting last week. The engineers will proceed with the second of the three plans and prepare an overlay of the existing park and project incomes. The goal is to have the swimming pool support itself. The information will be presented at the next committee meeting and will be presented to the public after that.

Mayor Olson stated that this committee went through an extensive study two years ago, and the same people were asked to participate now. He appreciates their efforts and service to the City of Laurel.

UNSCHEDULED MATTERS:

Alderman Poehls stated that he would like the questions raised during the public hearing to be addressed at the next council workshop.

Alderman Dart asked if Sam would be available at the next meeting. Sam will attend the meeting.

ADJOURNMENT:

Motion by Alderman Oakes to adjourn the council meeting, seconded by Alderman Poehls. All six aldermen/women present voted aye. Motion carried 6-0.

There being no further business to come before the council at this time, the meeting was adjourned at 9:15 p.m.

Cindy Allen, Secretary

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 1st day of February, 2005.

Kenneth E. Olson, Jr., Mayor

Attest:

Mary K. Embleton, Clerk-Treasurer