

MINUTES OF THE CITY COUNCIL OF LAUREL

August 21, 2007

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 6:35 p.m. on August 21, 2007.

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| COUNCIL MEMBERS PRESENT: | Emelie Eaton | Doug Poehls |
| | Kate Hart | Mark Mace |
| | Gay Easton | Chuck Dickerson |
| | Vacant | Norm Stamper |

COUNCIL MEMBERS ABSENT: None

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| OTHER STAFF PRESENT: | Mary Embleton |
| | Sam Painter |
| | Wyeth Friday |

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

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

Mayor Olson stated the need to add two items to the agenda under Unscheduled Matters. One item is a resolution for a small contract for replacement of the curb, gutter and alley approach across the street and the alley approach east of city hall. The second item is an appointment request by the ambulance director. Because of scheduling, the ambulance director was unable to present the appointment at last week's council workshop, and she requested that the appointment be made so the individual could work as an attendant for a shift rotation on Friday. Mayor Olson stated that the two items will be discussed under Unscheduled Matters.

MINUTES:

Motion by Council Member Eaton to approve the minutes of the regular meeting of August 7, 2007, as presented, seconded by Council Member Hart. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

CORRESPONDENCE:

PPL Montana, LLC: Letter of August 7, 2007 regarding PPL Montana Community Giving Report.

Montana Department of Environmental Quality: Letter of August 9, 2007 regarding Notice of Public Hearing and Opportunity to comment on Proposed Amendments to Public Water Supply Rules.

PUBLIC HEARING:

- Budget Amendments for Fiscal Year 2006-2007

Mary Embleton introduced the subject of the public hearing. The public hearing is for the budget amendments that were presented at a recent council workshop for the fiscal year completed on June 30, 2007. At that council workshop, the budget amendments were reviewed in detail and a list that showed the increases and decreases in the appropriations, revenues, and/or cash reserves was distributed. They include the General Fund, Comprehensive Insurance Fund, Local Government Study Commission Fund, Library Aid Grant Fund, Home Grant Fund, Federal Equitable Share Fund, Water Fund, Fire Disability Fund, Crime Victims Fund, and the Airport Authority Fund. A public hearing is required, and the item will be scheduled for action at the September 4th council meeting.

Mayor Olson opened the public hearing and read the rules and procedures for the public hearing.

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.

Mayor Olson closed the public hearing.

CONSENT ITEMS:

- **Clerk/Treasurer Financial Statements for the month of July 2007.**
- **Approval of Payroll Register for PPE 08/12/2007 totaling \$142,316.82.**
- **Receiving the Committee Reports into the Record.**

--Budget/Finance Committee minutes of August 7, 2007 were presented.

--City-County Planning Board minutes of August 2, 2007 were presented.

--Park Board minutes of August 2, 2007 were presented.

--Council Workshop minutes of August 14, 2007 were presented.

Mayor Olson asked if there was any separation of consent items. Council Member Poehls removed item 6.b., Approval of Payroll Register for PPE 08/12/2007 totaling \$142,316.82, from the consent agenda. The item will be moved to number eleven, Items Removed from the Consent Agenda, on the council agenda.

Motion by Council Member Mace to approve the remaining consent items as presented, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

CEREMONIAL CALENDAR: None.

REPORTS OF BOARDS AND COMMISSIONS: None.

AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT): None.

SCHEDULED MATTERS:

- **Confirmation of Appointments:** None.
- **Ordinance No. O07-05: Ordinance for Laurel Cable Communications.** Second reading. (Postponed June 5, 2007; July 3, 2007; August 7, 2007)

Motion by Council Member Mace to adopt Ordinance No. O07-05, seconded by Council Member Dickerson. There was no public comment or council discussion.

Sam Painter explained that the original ordinance was quite lengthy and has been shortened. Through an amendment, the language of the ordinance approved at first reading will be struck out and replaced with the shortened version of the ordinance.

Motion by Council Member Hart to amend Ordinance No. O07-05 as presented, seconded by Council Member Poehls. A roll call vote was taken on the motion to amend O07-05. All seven council members present voted aye. Motion carried 7-0.

A roll call vote was taken on the motion to adopt Ordinance No. O07-05, as amended. All seven council members present voted aye. Motion carried 7-0.

- **Ordinance No. O07-09: Ordinance amending a section of the “Laurel Subdivision Ordinance” located at Chapter 16 of the Laurel Municipal Code.** First reading.

Motion by Council Member Easton to adopt Ordinance No. O07-09, seconded by Council Member Mace. There was no public comment or council discussion. A roll call vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

The public hearing of Ordinance No. O07-09 will be on the council agenda on September 4, 2007.

- **Resolution No. R07-62: A resolution approving Change Order No. 3 with COP Construction LLC, modifying the contract time of the 2006 Laurel Wastewater Improvement Project and authorizing the Mayor to execute the attached Change Order No. 3 on the City's behalf.**

Motion by Council Member Dickerson to approve Resolution No. R07-62, seconded by Council Member Stamper. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Resolution No. R07-63: A resolution approving Change Order No. 4 with COP Construction LLC, for the addition and deduction of materials on the 2006 Laurel Wastewater Improvement Project and authorizing the Mayor to execute the attached Change Order No. 4 on the City's behalf.**

Motion by Council Member Stamper to approve Resolution No. R07-63, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Resolution No. R07-64: A resolution declaring certain items of the City as surplus available for sale to the public.**

Motion by Council Member Poehls to approve Resolution No. R07-64, seconded by Council Member Hart. There was no council discussion.

Under public comment, Mary Embleton stated that, when the surplus list was presented at last week's council workshop, she had explained that a few changes might be needed. The server was added under the clerk's list, as it did not work for the police department's need. The old telephone system was added and one computer was removed from the list. Inventory numbers will be added to the list for tracking purposes. The computers will be prepared properly for the auction to safeguard the city in that regard. The fire department has items that may be advertised in the paper and sold in a different manner. These include the fiberglass tank and the extraction equipment. Another volunteer department in a neighboring city might be interested in the extraction equipment.

A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Resolution No. R07-65: Resolution authorizing the Mayor to sign an agreement to provide health services with St. Vincent Healthcare of Billings, Montana.**

Motion by Council Member Hart to approve Resolution No. R07-65, seconded by Council Member Eaton. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Presentation of the Preliminary 2007-2008 Budget.**

Mary Embleton stated that budget information was distributed at the council workshop last week. The information was organized according to fund types. At that meeting, Council Member Dickerson asked regarding the amount of the total budget. Mary had recalled that it was about \$13 million. She stated that the revenue side of the budget is \$13,584,531 in the preliminary budget, and the appropriations portion of the budget is \$16,118,900.

Mary briefly reviewed the different types of funds. A few minor changes were made to the General Fund, and new sheets will be distributed tomorrow. The last minute changes and requests came from department heads today and affected a few thousand dollars for the General Fund appropriations. The General Fund encompasses the city's administration, council, mayor, financial, specific parks, cemetery, police, ambulance, fire, code enforcement, fire inspection, and the city court. Those basic services are supported by tax revenues (one-quarter), inter-governmental revenues (one-quarter), and the remainder comes from charges for services and other sources. Examples of other sources are transfers from the special levied funds generated to support the health insurance and PERS costs. Because those are all levied funds, they are grouped on the tax-levy requirement schedule, which is a state required document. This is limited by numerous legislative actions taken over the years, but it started with I-105, which in essence froze taxes. However, it has

been modified many times since and does not really do that. Laurel is in a growth situation and is able to levy a little more with the float mill levy, which comes from a complex set of calculations developed by the state. This year, the city proposes to levy 143.65 mills, which is almost \$890,000 in tax revenue that the city is authorized to collect from the residents of the City of Laurel. The various tax levy funds are shown on the schedule. The Airport Authority is one of the funds on the tax levy schedule. Mary stated that this is subject to change because the Department of Revenue still has not told her if the correct certified mill valuation was received on Monday, August 8th. The Department had not included all of the city's annexed properties in the valuation. The value of the mill might increase, but that does not mean that the city will levy more mills. Usually if the value of the mill goes up, the city levies fewer mills because of restrictions about the maximum dollar amount that can be collected.

Mary stated that, along with the non-voted levies required by law, the city is able to levy additional mills without a vote of the people. The Permissive Medical Levy was enacted by the 2001 legislature and modified by the 2003 legislature. It has helped the City of Laurel's financial situation because health insurance costs skyrocketed, as they did statewide for all cities. The city has the ability to levy 24.75 more mills to help pay for the health insurance costs in the General Fund. The Planning Fund is another tax-levied fund. Mary calculated that 1.4 mills is the maximum that could be levied this year. Hopefully, the city can negotiate that to a different level next year. The county sets that mill, so the city does not have any say about it, but the maximum is always budgeted. She stated that the planning jurisdiction is the city limits plus the four and one-half miles that surrounds it. One mill from the Planning jurisdiction provides a little over \$20,000. If the city could levy two mills, it would help tremendously.

Council Member Mace asked who negotiates that with the county.

Mary stated that it has been discussed at length and the mayor will set that up.

Council Member Mace asked if the proceeds from the surplus auction go back to the individuals departments or to the General Fund.

Mary stated that, if it was General Fund property bought by General Fund dollars, it would go back into the General Fund with no earmarks for any particular department. If an item was bought by monies from an enterprise fund, the monies would go back to that fund. If the Fire Department's tank brings better returns if it is sold in a different manner other than the auction, the hope is to use that additional revenue to offset another piece of equipment for the fire department.

Mary reviewed the major funds. The Building Department revenues are growing, and it is going to be a challenge for the department to meet the requirements so the building permit fee schedule does not have to be lowered in the future. The city can keep one year's appropriation in reserve, and hopefully it will just keep growing and the city will have to deal with having too much money. There are specific restrictions on how the money can be spent and it has to be building activity. The next major fund is the Street Maintenance District. This is measured by square footage of property in the city, and the calculations will be completed before the final budget is presented. Construction type funds, such as Street Maintenance, are difficult because the fiscal year falls in the middle of a construction year. Reserves are needed from year to year to get through the construction season, as the main sources of revenue only come twice a year. The Gas Tax Fund helps to supplement work in the streets. It is monthly revenue that the state sets based on a statewide formula. It is an interesting revenue source from the state and is guaranteed every month. Water, sewer, and garbage are the next major funds. It is always interesting to prepare budgets for these enterprise funds and to prepare for any eventuality. The budgets are easily amended and cash reserves are in good shape. The city budgeted for the TSEP grant that it was recently awarded. More detail will be published in the final budget document that will be provided upon completion. The public hearing on the budget is scheduled for the September 4th council meeting.

ITEMS REMOVED FROM THE CONSENT AGENDA:

- **Approval of Payroll Register for PPE 08/12/2007 totaling \$141,811.96.**

Council Member Poehls stated that the amount of the Payroll Register for the pay period ending August 12th needed to be corrected. The amount should be \$141,811.96 instead of \$142,316.82, as listed on the council agenda.

Motion by Council Member Poehls to approve the corrected Payroll Register for PPE 08/12/2007 totaling \$141,811.96, seconded by Council Member Mace. There was no public

comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT): None.

COUNCIL DISCUSSION:

Council Member Eaton asked for an update regarding the Veterans' Cemetery at the next council workshop. Mayor Olson stated that a Steering Committee meeting is scheduled on Thursday at 9:00 a.m. Council Member Stamper will also attend the meeting.

Council Member Dickerson requested an update on the administration building at the next council workshop. Mayor Olson stated that the council's consideration for a new building has been the driving force for efforts and funding. The two buildings considered are still for sale. Mayor Olson stated that the discussion regarding space considerations would be on the next council workshop agenda.

Council Member Mace mentioned that Dave Siljestrom, who previously served on the Public Works Committee, has been doing Habitat for Humanity work in Billings. Dave would like to know whether Laurel would like to get something going, as he would be glad to help organize it. Cities usually donate land for the Habitat for Humanity projects. Dave lives in Laurel and works in Billings. Mayor Olson stated it would be on the agenda for discussion at the next council workshop. Council Member Mace will invite Dave Siljestrom to attend the meeting.

Council Member Poehls stated that review is continuing on the Cenex fire mutual aid contract. The Emergency Services Committee will not meet on Monday, August 27th.

Mayor Olson stated that the consensus of the hiring committee for the city planner position was to hire the applicant if favorable references were received. Six favorable references were received, and the applicant accepted the job offer. He will begin working on September 4th and will share time with the Billings Planning Department to begin with for training purposes.

UNSCHEDULED MATTERS:

- **Resolution No. R07-66: A resolution approving a small construction contract between the City of Laurel and Concrete R Us providing for curb and gutter removal and replacement by Yellowstone Bank.**

Steve Klotz explained the joint project and the agreement with Yellowstone Bank. The bank will replace the sidewalk and the city will complete the curb and gutter replacement. The project area includes a half block and the alley approach, as well as the alley approach by city hall. The alley approaches will be funded through the Solid Waste Fund and the Parking Fund. The city will do the asphalt restoration.

Motion by Council Member Poehls to place Resolution No. R07-66 on the council agenda, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

Motion by Council Member Dickerson to approve Resolution No. R07-66, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

- **Appointment: Laurel Volunteer Ambulance Service Attendant**

Mayor Olson read two letters from Ambulance Director Jan Faught, who was unable to attend the council meeting. One letter requested the appointment of Jennifer Troppe as an Attendant for the service. The second letter explained the need to have this individual appointed so the service would not be left with open hours of coverage. Mayor Olson stated that scheduling needs is the driving force for the urgency in making the appointment at this council meeting.

Mayor Olson appointed Jennifer Troppe as an Attendant for the Laurel Volunteer Ambulance Service.

Motion by Council Member Hart to add the appointment of Jennifer Troppe as an Attendant for the Laurel Volunteer Ambulance Service to the agenda, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

Motion by Council Member Poehls to approve the appointment of Jennifer Troppe as an Attendant for the Laurel Volunteer Ambulance Service, seconded by Council Member Mace. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

ADJOURNMENT:

Motion by Council Member Mace to adjourn the council meeting, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All seven council members present voted aye. Motion carried 7-0.

There being no further business to come before the council at this time, the meeting was adjourned at 7:30 p.m.

Mary K. Embleton, Clerk-Treasurer

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 4th day of September, 2007.

Kenneth E. Olson, Jr., Mayor

Attest:

Mary K. Embleton, Clerk-Treasurer