

# MINUTES OF THE CITY COUNCIL OF LAUREL

October 2, 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 6:30 p.m. on October 2, 2007.

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

COUNCIL MEMBERS ABSENT:           None

OTHER STAFF PRESENT:               James Caniglia  
  Steve Zeier, BSEDA  
  Craig Wright, Johnson Controls  
  Scott Wilm (7:05 p.m.)

Mayor Olson welcomed Michael Gregory, of Troop 414, to the meeting and asked him to lead the Pledge of Allegiance to the American flag.

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

Mayor Olson asked Michael Gregory to introduce his mother, Carolyn Gregory, who accompanied him to the meeting.

## MINUTES:

Motion by Council Member Stamper to approve the minutes of the regular meeting of September 18, 2007, as presented, seconded by Council Member Mace. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

Motion by Council Member Dickerson to approve the minutes of the special meeting of September 25, 2007, as presented, seconded by Council Member Stamper. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

## CORRESPONDENCE:

Jodi Hoppel: Letter of September 19, 2007, regarding the Laurel Oktoberfest.

Johnson Controls: News Release of September 20, 2007.

Montana Department of Revenue: September 24, 2007 Application for Transfer of Ownership of Montana All-Alcoholic Beverage with Catering Endorsement License No. 03-044-9201-002, The Locomotive Casino, 216 South 1<sup>st</sup> Avenue, Laurel, Yellowstone County, Montana.

## PUBLIC HEARING:

- Subsequent Minor Plat of Amended Lot 2D-1, Canyon Creek Station Subdivision 2<sup>nd</sup> Filing, Preliminary Plat

Mayor Olson asked City Planner James Caniglia to introduce the item to the council.

James stated that this minor plat was not approved by the Planning Board because a quorum was not present at the September meeting. Since State law states that a subdivision minor does not have to go to the Planning Board, it is being presented to the city council. The minor plat requests Lot 2D-1 to be split into 2D-1A and 2D-1B, which is on South Fourth Street and the parking lot of TLC Flooring and Classic Pizza. A dry cleaner will be put in 2D-1B. James stated that no infrastructure improvements need to be made.

Mayor Olson opened 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:**

- **Claims for the month of September 2007 in the amount of \$277,568.95.**  
A complete listing of the claims and their amounts is on file in the Clerk-Treasurer's Office.
- **Approval of Payroll Register for PPE 09/23/2007 totaling \$139,945.89.**
- **Receiving the Committee Reports into the Record.**
  - Budget/Finance Committee minutes of September 18, 2007 were presented.
  - Council Workshop minutes of September 11, 2007 were presented.
  - Emergency Services Committee minutes of September 24, 2007 were presented.
  - Council Workshop minutes of September 25, 2007 were presented.
  - Laurel Airport Authority minutes of August 28, 2007 were presented.
  - Tree Board minutes of September 17, 2007 were presented.

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

Motion by Council Member Mace to approve the consent items as presented, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

**CEREMONIAL CALENDAR:** None.

**REPORTS OF BOARDS AND COMMISSIONS:** None.

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

**SCHEDULED MATTERS:**

- **Confirmation of Appointments.**

**Laurel Ambulance Reserves:**

Motion by Council Member Poehls to approve the appointments of Anna Gatzemeier and Sue Leuthold to the Laurel Ambulance Reserves, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

**HOME Program Advisory Board:**

Motion by Council Member Eaton to approve the appointment of James Caniglia to the HOME Program Advisory Board, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

**CTEP Administrator:**

Motion by Council Member Hart to approve the appointment of James Caniglia as the CTEP Administrator for the City of Laurel, seconded by Council Member Eaton. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- **Craig Wright, Johnson Controls: Performance Contract Review**

Craig Wright is an Assurance Engineer for Johnson Controls, which is based in Littleton, Colorado. He is responsible for managing the ongoing performance of the City of Laurel's performance contract. Craig distributed copies of the report to the council, and a copy is attached to these original council minutes. Craig gave a PowerPoint presentation of the Quarterly Report for July through September 2007 of the Water Consumption Reporting and Month-End Billings Analysis to the council.

Craig stated that the Performance Contract entailed three different aspects. There is \$916,425 in guaranteed project benefits that Johnson Controls guarantees the City of Laurel will realize over its twelve-year term. The three categories in which Johnson Controls, in collaboration with the city, incorporated improvements include: Utility Cost Avoidance; Operations and Maintenance (O & M) and Capital Cost Avoidance; and New Water Meters and Automated Meter Reading.

With the Utility Cost Avoidance measures, Johnson Controls implemented HVAC (heating, ventilation, air conditioning) improvements, including enhanced controllability and more energy efficient equipment. Lighting and light control upgrades were installed. The operations and maintenance savings are derived from some of the installations incorporated into the project; for example, lighting retrofit where more robust light fixtures that require less maintenance and therefore less frequent replacement were installed. An operation and maintenance savings is derived from that. The most significant portion comprising the overall guarantee is the automated meter reading and the new water meters.

Craig stated that the project began installation on January 29, 2007 and was completed June 16, 2007. As a result of all the installation activities, Johnson Controls submitted a post installation report that documented all aspects of the contract they were expected to comply with and that verified that they complied with those aspects. This report is part of the performance services that Johnson Controls provides on a monthly basis, and which will be quarterly for the next three years, to demonstrate the performance of the realized billing consumption of water in the City of Laurel.

Craig used PowerPoint to show the comparison of the July to September 2007 billing consumption of water compared to the same period of 2005. Realizing that there have been changes in quantities of residences and businesses, the measure was determined by taking the entire billable consumption for all meters two inches and smaller and dividing it by the total number of meters throughout the city that are two inches and smaller. That was roughly 55,128 gallons of use per meter. Craig did the same for the 2005 base year period by taking the total consumption over those three months in 2005 and dividing it by the number of meters present in 2005. He showed a graph which explained the 13.7 percent increase between 2007 and 2005.

Johnson Controls provides a quarterly analysis of the billing process and whether customers are accurately billed for water use. During review with the billing clerk today, it was verified that Cenex was under billed about \$40,000 over the past two months, so an adjusted bill will be sent.

Mayor Olson thanked Craig for his presentation and stated that Johnson Controls will present a report quarterly for the next three years.

- **Resolution No. R07-85: Resolution of the City Council to approve revisions to the existing Code Enforcement Inspector job description for the City of Laurel.** (Delayed 09/18/2007)

Motion by Council Member Easton to approve Resolution No. R07-85, seconded by Council Member Hart. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- **Resolution No. R07-87: A resolution authorizing the Mayor to sign an agreement for services with CTA Architects and Engineers approving the proposed Programming Study for the Volunteer Fire Department.**

Motion by Council Member Wilkins to approve Resolution No. R07-87, seconded by Council Member Mace. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- **Resolution No. R07-88: A resolution to authorize the Mayor to extend the term of Contract # MT-TSEP-PE-06-335, previously approved and executed by the City on December 19, 2005, and previously extended to October 1, 2007, to provide funding for a Preliminary Engineering Report for improvements to the City's storm water system.**

Motion by Council Member Stamper to approve Resolution No. R07-88, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

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

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

**COUNCIL DISCUSSION:**

- Review of Monthly Reports: Police, Fire, Ambulance, and Code Enforcement: None.

Council Member Dickerson asked regarding a list of acronyms, which he had previously requested. Mayor Olson stated that notebooks with the list and some additional information would be distributed to the council in the near future.

Council Member Stamper stated that it is a pleasure to see Michael Gregory at tonight's council meeting. Council Member Stamper was involved in Troop 414 some time ago, and he stated that Michael is one of the most hardworking and dedicated scouts he has known.

Council Member Easton recently attended a Beartooth RC&D meeting, which included a tour of the new detention center in Hardin. The Hardin Chamber of Commerce is an active organization and it is a progressive community. Council Member Easton suggested that the council should tour the facilities and see what is happening in Hardin.

Council Member Hart stated that a resident expressed concern regarding the truck route and deliveries made on the side streets by Ricci's Express. Mayor Olson stated that the city is in the process of reviewing the truck route. Drafts of the proposed truck route have been sent to vendors, and the city is currently waiting for responses. The present truck route includes North and South First Avenue. Concerns should be directed to the Public Works Department.

Council Member Eaton asked regarding bumper stickers seen in Laurel recently. Mayor Olson did not have any knowledge of this.

Council Member Eaton asked regarding the patcher. An update was presented at a recent council workshop. Mayor Olson stated that the Public Works Department will continue to use the patcher to fill in potholes and repair alligator sections in the streets. The potholes on Washington Avenue by the Laurel Middle School will be filled with the patcher. Alder Avenue needs to be rebuilt.

Council Member Eaton asked if any aesthetic improvements are planned for the community in anticipation of the centennial celebration next summer. Mayor Olson stated that the Chamber of Commerce and various businesses in Laurel have been making improvements. Council Member Dickerson and Todd Linder serve on the Centennial Committee.

Council Member Eaton asked regarding funding for the administrative assistant position. Mayor Olson stated that, if the ballot issue is approved in November, the city would have a chief administrative officer, not an administrative assistant. The chief administrative officer's position would be funded through the General Fund.

Mayor Olson mentioned the joint city/county meeting scheduled for Thursday, October 25<sup>th</sup>, at 5:30 p.m. Agenda items should be submitted to the council secretary. All council members plan to attend this meeting.

Mayor Olson asked for discussion of the proposed creation of a Tax Increment Finance District (TIFD). The projected timeline for the TIFD was distributed, and a special meeting is scheduled on November 27<sup>th</sup> for the second reading of the ordinance establishing the TIF District.

Steve Zeier, Big Sky EDA, distributed a map for the proposed TIFD boundaries. Staff recently discussed some of the pros and cons of the boundaries for the district. It was discussed at the last council workshop that the city is trying to keep a balance in the tax base between what is captured and what is not captured. The northern boundary, as it correlates to the zoning map, corresponds to the central business district. Properties owned for residential land uses would not be included in the boundaries. The TIFD dollars and what is to be accomplished with the process lends itself more towards central business district land uses. Mayor Olson stated that the boundaries will be discussed further at next week’s council workshop. Steve mentioned that the Department of Revenue wants to enact administrative rules for TIF Districts with the intent of clarifying some ambiguities. One main change is to require approval or disapproval of the TIFD by the Department of Revenue.

There was discussion regarding the required recommendation from the Planning Board. The Planning Board will review the TIFD in regards to the Growth Management Plan at its meeting on October 4<sup>th</sup> and should make a recommendation to the Laurel City Council at its meeting on November 1<sup>st</sup>. Since there are several vacant positions on the Planning Board, legal counsel needs to determine how many members are needed for a quorum.

There was further discussion regarding proposed boundaries, tax increment figures, and the potential income for the TIF District. Steve Zeier will contact the entities that would be impacted by the TIF District.

James Caniglia stated that the new lift station on the east side of town should draw in new businesses, which would result in increased revenues for the city. The city is waiting on a grant to fund the lift station. James will work with the Laurel Alive organization on some beautification processes to make neighborhoods nicer, which would bring up property values and tax revenues. James stated that, if the TIF District is approved, it will be important to find new revenues for other parts of the city. New annexations would not affect a TIF District, if it was not originally included in the TIFD boundaries.

Mayor Olson will ask Big Sky EDA to give a presentation on TIF Districts at the joint city/county meeting on October 25<sup>th</sup>.

**UNSCHEDULED MATTERS:** None.

**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 eight council members present voted aye. Motion carried 8-0.

There being no further business to come before the council at this time, the meeting was adjourned at 8:46 p.m.

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Cindy Allen, Secretary

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 16<sup>th</sup> day of October, 2007.

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Kenneth E. Olson, Jr., Mayor

Attest:

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Mary K. Embleton, Clerk-Treasurer