

# MINUTES OF THE CITY COUNCIL OF LAUREL

May 18, 2010

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 May 18, 2010.

COUNCIL MEMBERS PRESENT:           Emelie Eaton           Doug Poehls  
  Kate Hart               Mark Mace  
  Chuck Rodgers        Chuck Dickerson

COUNCIL MEMBERS ABSENT:           Alex Wilkins           Norm Stamper

OTHER STAFF PRESENT:           Kurt Markegard       James Caniglia  
  Sam Painter

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

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

Mayor Olson removed item 10. b., Resolution No. R10-50, from Scheduled Matters for further discussion at the May 25<sup>th</sup> council workshop.

## MINUTES:

Motion by Council Member Poehls to approve the minutes of the regular meeting of May 4, 2010, as presented, seconded by Council Member Mace. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

## CORRESPONDENCE:

Montana Department of Environmental Quality: Letter of April 29, 2010, regarding notice of proposed revisions to solid waste program rules.

Laurel High School: Letter of April 25, 2010, regarding 2010 Homecoming activities on September 10, 2010.

Montana Department of Transportation: Letter of May 3, 2010 regarding 2010-2014 Draft Statewide Transportation Improvement Program.

Bright n' Beautiful: Minutes of April 21, 2010.

Department of Commerce: Letter of April 30, 2010 regarding HOME Grant Funds returned to Grantee and/or sub grantee.

Arbor Day Foundation: Letter of April 12, 2010 regarding Laurel named a Tree City USA community for 2009.

Montana League of Cities and Towns: Memorandum of May 3, 2010, regarding Legislative District Meetings.

## PUBLIC HEARING:

- Ordinance No. O10-02: An ordinance amending Section 5.08.040 of the Laurel Municipal Code titled "Contractor's License and Bond Requirements" located at Chapter 5 of the Laurel Municipal Code. (First reading – 03/16/2010; PH – 04/06/2010)

Mayor Olson asked staff to present the issue to the council.

Sam Painter stated that a previous public hearing was held on the proposed ordinance. The provision being considered is 5.08.040, subsections A, 1 through 3, which concerns the commercial



general liability insurance, business automobile insurance and proof of workers' compensation insurance. The original proposal was for the city to require \$1 million of general liability insurance, \$1 million of business automobile insurance, and proof of workers' compensation insurance in order for the city to issue a business license. Proposals by staff are to consider two additional options. Option A has a \$500,000 requirement for general liability, a \$300,000 automobile liability insurance requirement, and proof of workers' comp insurance. With Option B, the city would require the contractor to provide proof of general liability insurance, proof of business automobile insurance, and proof of work comp insurance but would not require specific liability amounts. The city would just determine that the contractor is legitimate and has insurance and issue the license. Tonight's public hearing is for the council to consider the amount of public interest in the option the council may consider adopting.

Mayor Olson asked if there were questions or comments from the council.

Council Member Dickerson asked regarding the reasoning or the purpose behind changing these figures to the lesser amounts or possibly no amounts.

Mayor Olson explained that some contractors have come forward to say that this requirement could be figured into a large construction project. However, it would be difficult for smaller contractors to meet the requirements and still be able to do business. Mayor Olson stated that larger cities have higher bonding and proof of insurance requirements, and smaller communities are not as much. The three options are being presented for the council to determine which one is best for the City of Laurel.

Council Member Hart stated that the list of contractors includes huge projects and also small contractors, such as a lawn service or house painters. She thinks there is a discrepancy in the amount of income and assets these companies have. If the city does not have tiers for the requirements, then it is basically trying to protect the consumers. Large contractors are required to provide adequate bonding information, so she prefers the lesser amount or just the requirement for proof of insurance.

Council Member Dickerson is not opposed to this. He spoke regarding the size of the Wal-Mart project, as opposed to the remodeling of a house, and the different requirements for small and large contractors.

Sam Painter stated that the original provision was prepared and adopted to protect the consumers in Laurel from the roofing contractors that came through when the hail storms hit. Contractors with no bonding came into town, were not legitimate, and ended up fleecing a lot of citizens. The problem is that the law on the books required the city to have the contractor obtain a cash bond for \$5,000 and the bond was payable to the City of Laurel. This placed the city between the owner and the contractor. The city does not want to be in a private business deal. The city wants to maintain a list of qualified and legitimate contractors that have insurance, are licensed by the State (not required, but preferable), and have workers' comp. With that determination, the city would issue a business license and the contractor and customer would make their agreement. Customers are typically financed by a bank, which would make sure the contractor has adequate insurance. Sam stated that the city should license legitimate operations, rather than requiring amounts of bonds.

Council Member Poehls stated that bonding requirements were included in the bid proposal for the Wal-Mart project, as is done with all large projects. The city is trying to require contractors to show that they are a legitimate business with proof of insurance in order to protect the citizens

Council Member Mace stated that the city should not be between the contractor and the homeowner. He stated that the option would be great and is working in other cities.

Mayor Olson opened the public hearing and read the rules governing the public hearing.

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

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

Mayor Olson closed the public hearing.

The second reading of Ordinance No. O10-02 will be on the June 1<sup>st</sup> council agenda.

**CONSENT ITEMS:**

- **Clerk/Treasurer Financial Statements for the month of April 2010.**
- **Approval of Payroll Register for PPE 05/02/2010 totaling \$162,139.18.**
- **Receiving the Committee Reports into the Record.**
  - Budget/Finance Committee minutes of May 4, 2010 were presented.
  - Health Insurance Committee minutes of May 3, 2010 were presented.
  - City-County Planning Board minutes of May 6, 2010 were presented.
  - Health Insurance Committee minutes of May 7, 2010 were presented.
  - Public Works Committee minutes of May 10, 2010 were presented.
  - Council Workshop minutes of May 11, 2010 were presented.
  - Laurel Airport Authority minutes of March 23, 2010 were presented.

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

Motion by Council Member Hart to approve the consent items as presented, seconded by Council Member Rodgers. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

**CEREMONIAL CALENDAR:**

- Proclamation of EMS Week

Mayor Olson read a proclamation designating the week of May 16-22, 2010, as Emergency Medical Services Week in the City of Laurel.

- Poppy Day Proclamation

Mayor Olson read a proclamation designating Monday, May 31<sup>st</sup>, as Poppy Day in the City of Laurel. He stated that Memorial Day services in Laurel are scheduled on May 30<sup>th</sup>. The staff and the Cemetery Commission have been working to improve the cemetery and the veterans' cemetery.

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

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

**SCHEDULED MATTERS:**

- **Confirmation of Appointments:** None.
- **Resolution No. R10-52: A resolution approving Change Order No. 7 for Phase II of the Laurel Water System Improvements Project for wage rate modifications pursuant to Davis-Bacon guidelines and authorizing the Mayor to execute the attached Change Order No. 7 on the City's behalf.**

Motion by Council Member Mace to approve Resolution No. R10-52, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

- **Resolution No. R10-53: A resolution approving Change Order No. 8 with COP Construction LLC for the final contract reconciliation for the 2009 Water System Improvements Project.**

Motion by Council Member Dickerson to approve Resolution No. R10-53, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

- **Resolution No. R10-54: A resolution approving Change Order No. 2 with Engineered Structures, Inc. as part of Phase 2A1 of the Laurel Wastewater Treatment Plant Improvements Project and authorizing the Mayor to execute the attached Change Order No. 2 on the City's behalf.**

Motion by Council Member Poehls to approve Resolution No. R10-54, seconded by Council Member Rodgers. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

- **Resolution No. R10-55: A resolution of the City Council authorizing the Mayor to sign a Memorandum of Understanding (MOU) with Yellowstone County for a joint milling project.**

Motion by Council Member Rodgers to approve Resolution No. R10-55, seconded by Council Member Hart. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

- **Resolution No. R10-56: A resolution of the City Council authorizing the Mayor to sign a contract with North American Digester Cleaning Services, Inc. for cleaning of the City's digester located at the Wastewater Treatment Plant.**

Motion by Council Member Rodgers to approve Resolution No. R10-56, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

- **Resolution No. R10-57: A resolution by the City Council authorizing the Mayor to sign an amendment to the agreement with the State of Montana Historical Society for the Preserve America Grant.**

Motion by Council Member Hart to approve Resolution No. R10-57, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

- **Resolution No. R10-58: A resolution of the City Council authorizing the Mayor to sign an agreement with BlueCross BlueShield of Montana for the provision of an Employee Health Insurance Program.**

Motion by Council Member Eaton to approve Resolution No. R10-58, seconded by Council Member Hart. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

- **Resolution No. R10-59: A resolution of the City Council accepting the donation of evergreen trees from the Laurel Lions Club to include in the planting of trees at the Laurel Lions Family Park, as part of a grant provided by the Montana Department of Natural Resources and Conservation (DNRC).**

Motion by Council Member Poehls to approve Resolution No. R10-59, seconded by Council Member Rodgers. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

- **Resolution No. R10-60: A resolution of the City Council authorizing the Mayor to sign a Proof of Loss Statement for submission to the Montana Municipal Interlocal Authority regarding wind damage to the City Library's roof and accepting a \$26,000 payment towards replacement of the Library roof.**

Motion by Council Member Mace to approve Resolution No. R10-60, seconded by Council Member Poehls. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

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

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

**COUNCIL DISCUSSION:**

Council Member Poehls stated that the Emergency Services Committee would not meet on May 25<sup>th</sup>.

Council Member Dickerson asked for clarification regarding voting on Ordinance No. O10-02 at the June 1<sup>st</sup> council meeting.

Mayor Olson explained that the ordinance was adopted on first reading in its original form and then a public hearing was held. Since then, the council was presented with two additional options to consider. The council could decide to adopt the original ordinance or to amend the original ordinance with either option A or option B at the second reading on June 1<sup>st</sup>.

Council Member Rodgers stated that the Cemetery Commission will meet at the cemetery on Thursday at 5:30 p.m. He invited anyone to attend the meeting.

Mayor Olson encouraged the council to view the work that has been done at the cemetery.

Council Member Eaton requested the addition of the speed limit change going west on Railroad Street to the June 8<sup>th</sup> council workshop agenda. The speed limit changes to 60 mph about a half block after South Eighth Avenue. She would like the council to discuss it to see if the issue could be brought to the county's attention.

Mayor Olson stated that the item would be on the June 8<sup>th</sup> council workshop agenda. He mentioned that the posted speed limits going east on Railroad Street will be discussed at the May 25<sup>th</sup> council workshop.

Council Member Poehls requested an update on the asphalt plant at the next council workshop.

Mayor Olson reported that he recently signed the following small service contracts: DR Plumbing for the hot water tank at the city shop for \$1,024.52; P&H Concrete for work at the cemetery for \$1,650.00; and Noble Trees for work at the library.

Mayor Olson met with Alec Hansen, the lobbyist for the League of Cities and Towns, today in Billings. The meeting included discussion about the upcoming legislative session in eight months and a report regarding what the League finds of value to present to the Legislature. There will be a more definitive report when the Legislative Committee meets in September. Items discussed for presentation to the legislature included the medical marijuana issue, the local option tax, House Bill 124, and a realtor excise option. Mayor Olson will distribute information to the council soon.

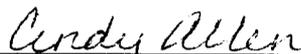
Council Member Eaton asked that the speed limit issue on West Railroad Street be on the May 25<sup>th</sup> council workshop agenda instead of the June 8<sup>th</sup> agenda.

**UNSCHEDULED MATTERS:** None.

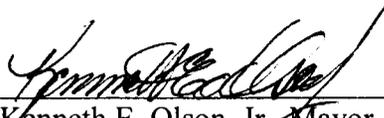
**ADJOURNMENT:**

Motion by Council Member Dickerson to adjourn the council meeting, seconded by Council Member Eaton. There was no public comment or council discussion. A vote was taken on the motion. All six council members present voted aye. Motion carried 6-0.

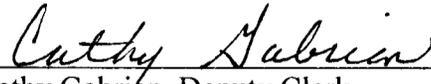
There being no further business to come before the council at this time, the meeting was adjourned at 7:08 p.m.

  
Cindy Allen, Council Secretary

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 1<sup>st</sup> day of June, 2010.

  
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Kenneth E. Olson, Jr., Mayor

Attest:

  
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Cathy Gabrian, Deputy Clerk