

MINUTES OF THE CITY COUNCIL OF LAUREL

July 1, 2008

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 July 1, 2008.

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: Mary Embleton Scott Wilm
 Sam Painter Mike Zuhoski
 Gary Colley Kurt Markegard

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 Council Member Dickerson to approve the minutes of the regular meeting of June 17, 2008, 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:

Cable Montana: Service Reports for May 2008.

American Legion, Laurel Post No. 123: Letter of June 19, 2008 regarding evergreen tree at the memorial flag.

Laurel Chamber of Commerce: Minutes of June 12, 2008; Agenda of June 26, 2008.

PUBLIC HEARINGS:

- Ordinance No. O08-06: Ordinance deleting a section of the "Laurel Vehicles and Traffic Ordinance" located at Chapter 10 of the Laurel Municipal Code. (First reading - 06/03/2008)

Mayor Olson asked Sergeant Zuhoski to introduce the item to the council.

Sergeant Zuhoski stated that the ordinance removes the parking restrictions in front of the old middle school.

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.

- Ordinance No. O08-07: An ordinance of the City of Laurel, to repeal Chapter 15.50 of the Laurel Municipal Code and to replace it with new Chapter 15.50 that provides for the City's adoption of the 2006 Edition of the International Fire Code and certain amendments. (First reading - 06/03/2008)

Mayor Olson asked Fire Inspector Gary Colley to present the issue to the council.

Gary asked the council to adopt the International Fire Code to replace the Uniform Fire Codes so it is more compatible with the International Building Code. This will also match up better with the City of Billings, which has just adopted the International Fire Code. He stated that all of the design professionals are from Billings, and that way everyone will be on the same page.

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.

- Proposed Capital Improvements Plan

Mayor Olson asked Mary Embleton to introduce the issue.

Mary stated that the city has been working very hard and very closely with Miral Gamradt for several months to produce a Capital Improvements Plan for the council's consideration. She introduced Miral Gamradt, who was the City Finance Director for the City of Bozeman for about twenty years and has a long and distinguished resume.

Miral Gamradt stated that it was a pleasure working with the City of Laurel, the administrative staff, Mayor Olson and the council members on this project. He thinks that the development of a capital improvement program in the City of Bozeman was one of the most important things he did in the twenty years he was there. It was updated several times and the capital improvements program provided the guidance for Bozeman through some real rapid growth times. One of the best compliments he ever received was that the city engineer in Bozeman referred to the capital improvement program as his bible.

Miral stated that this capital improvement program surveys the entire city's needs, reviews the financial capabilities of each city fund, makes projections of the revenues and expenditures, lays the capital improvement requests against the ability of the city to finance those needs, and reconciles the amount of money that the city has with the requested capital items. Not all of the capital items made it into the CIP, but in most cases, particularly with the enterprise funds and the self-supporting funds, the department managers made the tough decisions to determine what needed to be cut. In the past, the departments made their requests and the clerk/treasurer, mayor and council reviewed the requests. Then, eventually, in order to balance the budget, items were cut out. In this particular case, the department managers were the ones that were able to see the revenue sources and the expenditures going forward and were the ones to make the tough cuts. As a result, department heads will embrace this plan much more than under the traditional approach.

One thing this capital improvement program has that very few other ones have is the historical financial analysis combined with the financial projections with a reconciliation of the ability of the city to finance those improvements that have been requested. Miral spent a great deal of time researching on the internet for capital improvement programs throughout the nation. He found that cities and towns traditionally put together a capital improvement program, but it is just a list of needs with no comparison to determine what is really feasible and what is not. Miral stated that the City of Laurel is years ahead in terms of its forward thinking and proactive approach to financing capital improvements going forward.

Miral stated that the Capital Improvement Program has some recommended rate increases in the utility operations and street maintenance districts. Rate changes are difficult to deal with, but they are comparable to the rate changes that were included in the city's utility rate analysis done for both water and sewer. When he started working in Bozeman in 1985, the city enacted a 65 percent rate increase in the water fund. The rate increase was necessary to pay for the water plant that was put in place. When the public spoke at the public hearing, they said that the city should have planned for the improvements over the years and should have gradually increased the rates over time without needing a 65 percent rate increase. The City of Laurel has a lot of needs, particularly in the water and sewer funds. Water and sewer lines are incredibly expensive, and this plan has laid out the rate changes necessary to finance the improvements needed. Although there is not a 65 percent rate

increase, seven, eight, and nine percent rate increases are substantial when people's incomes are not going up at that pace. Miral encouraged the council to follow the CIP, as well as the water and sewer rate studies that were done recently.

Miral explained the process the city went through. A kick-off meeting was held in December 2007. In that meeting, the process was laid out and he talked to the department heads about what would occur. There was a needs assessment phase where all the departments put together their needs for the next five-year period. Concurrent with that, Mary and Miral did the historical financial analysis, as well as the five-year financial projection to come to the reconciliation of the ability of a fund to support the requested capital improvements. Then he talked with all the department heads about their particular programs and if there was a realistic recommendation to make to the city council. After that, Miral prepared a draft capital improvement program. Recently, the council met with Miral, Dr. Ken Weaver and Judy Mathre to review the CIP. As a result of that meeting, the council had some changes and the draft capital improvement program has been altered based on what occurred at that meeting. Finally, the final document has been prepared. Miral stated that the requested action would be to adopt this Capital Improvement Plan. He emphasized the fact that it is a plan and not an appropriation document. Every item included in this plan will have to be included in the annual budget to receive formal appropriation. There will be some changes, some emergencies, and some unanticipated things. A department's priorities may change and some of the estimates could be higher or lower. As a result, changes will have to be made. Miral stated that, for the most part, this is a plan that the city should be able to follow right down the line. It is dependent to some degree on some voted levies, for example, the new fire station, but for the most part, it is supported by actual revenue estimates that have been identified.

Council Member Dickerson asked if the City of Bozeman provided a copy of its plan to the public when the 65 percent rate increase was imposed. Miral stated that Bozeman did not have a CIP when the 65 percent rate increase was implemented, and that is the reason Bozeman ended up with the enormous rate increase in the first place. When Bozeman developed the CIP, it was available to the public. Miral has provided Mary with a PDF file of the entire CIP document, which could be placed on the city's web site for the public to review.

Council Member Hart asked if the department heads, mayor and CAO would meet together each year to review the current CIP and plan for one additional year.

Miral stated that his initial recommendation is that the document be updated periodically. If the City of Laurel updated the document every two years, it would be light years ahead of any other community. He appreciates Mary's enthusiasm and she thinks it should be done every year. Miral has provided Mary with all of the electronic files, all of the spreadsheets, and all of the project write-ups from the departments. He said that it would still take an enormous amount of work to do this. If the city can do it every year or two, it would be wonderful.

Council Member Hart stated her concern that, with possible personnel changes, people will forget the process if it is not done every year. She thinks it is necessary to just review it to remember how to do it in the first place.

Miral stated that, with those comments in mind, it would not hurt to update it after the very first year as it will be fresh in everyone's mind. Miral will provide guidance if needed. After doing it the first time, it will be obvious how much time and effort it takes and that will provide guidance in determining how frequently to do it from that point forward.

Council Member Mace asked how to keep the CIP going in the same direction in spite of possible changes in personnel on the council and in city departments.

Miral stated that the document itself, the hard copy document, is going to provide the continuity for the public works director, the clerk/treasurer, the council, or mayor. Without the document, everybody has ideas for projects that need to be done. When personnel changes occur, all of the history is lost. The CIP document itself lays out in every particular area, whether it is water, sewer, streets or whatever, what project is going to be done, what year it is going to be done, what it will cost, and how it will be paid for. The document might say that three years from now the city is going to do a street project for a certain amount of money, so even new department heads and council members would have the benefit of the CIP document.

Mayor Olson thanked Miral for his presentation.

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

Mayor Olson asked three times if there were any proponents.

Mary K. Embleton, P.O. Box 161, Laurel, Montana, serves as the clerk/treasurer for the City of Laurel. She fully supports the adoption of this document to be used for the City of Laurel's future planning. There are many benefits to this. The CIP maps out the needs and how the city proposes to fund the needs. Therefore, the city will be able to do some powerful planning with the document. A side benefit is that outside agencies will see the document and recognize the city's efforts as it applies for grant funding and loans. That will be held in high regard as far as their opinions of Laurel's efforts to plan for future growth. The most important thing about this document is that it is a living, workable document that can be updated and changed as the needs change in Laurel. Mary stated that she is very proud to be a part of this and asked for support from the council for this document.

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

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

Mayor Olson closed the public hearing.

CONSENT ITEMS:

- **Claims for the month of June 2008 in the amount of \$548,402.52.**
A complete listing of the claims and their amounts is on file in the Clerk-Treasurer's Office.
- **Approval of Payroll Register for PPE 06/15/2008 totaling \$141,424.04.**
- **Receiving the Committee Reports into the Record.**
 - Tree Board minutes of June 10, 2008 were presented.
 - Budget/Finance Committee minutes of June 17, 2008 were presented.
 - Cemetery Commission minutes of June 18, 2008 were presented.
 - Emergency Services Committee minutes of June 23, 2008 were presented.
 - Council Workshop minutes of June 24, 2008 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 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.

CEREMONIAL CALENDAR:

- Presentation to Gerald Shay

Mayor Olson invited Gerry Shay to the front of the council chambers. Mayor Olson has belonged to several organizations where Gerry was the person who was the leader, the person with advice, and whose direction was followed. He thinks this has been exemplified on the first Thursday of the month for several years as Gerry showed his leadership qualities at the city-county planning level. Mayor Olson stated his appreciation for Gerry's work and the hours he spent. Mayor Olson expressed appreciation to all volunteers. Mayor Olson presented Gerry with a plaque which read:

The City of Laurel, County of Yellowstone, State of Montana, presents this Certificate of Recognition to Gerald Shay in recognition of 30 years of service to the City of Laurel on the Yellowstone-Laurel City-County Planning Board. Dated July 1, 2008.

Gerry thanked Mayor Olson and stated that there were a lot of good people and planners on the Planning Board over the years. Gerry mentioned that two Planning Board members, Dan Koch and Dick Fritzler, attended the meeting, and he introduced his wife, Chris Shay.

Mayor Olson thanked Gerry again for his service.

REPORTS OF BOARDS AND COMMISSIONS: None.

AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT):

Louis Metzger, 601 West 8th, stated that he and his wife had a cat for nineteen years. Two weeks ago when the cat was outside, their neighbor's dog killed the cat. The hardest part was seeing the cat die in his wife's arms. In going through this experience, he found out that the City of Laurel's ordinance on nuisance dogs gives a dog three strikes. Montana State law says one strike. He would like the City of Laurel to adopt a vicious dog ordinance along with the nuisance dog ordinance in case another animal or child gets attacked by a vicious dog. Louis asked the council to review this issue.

Mayor Olson stated that this issue is scheduled for discussion on the July 8th council workshop agenda.

SCHEDULED MATTERS:

- **Confirmation of Appointments.**

Laurel Volunteer Fire Department:

Mayor Olson appointed Kurt Markegard and John Woody to the Laurel Volunteer Fire Department.

Motion by Council Member Poehls to approve the appointments of Kurt Markegard and John Woody to the Laurel Volunteer Fire Department, seconded by Council Member Dickerson. There was no public comment.

Fire Chief Scott Wilm introduced Kurt Markegard and John Woody to the council and stated that they would give tremendous help to the fire department.

A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- **Resolution No. R08-68: A resolution to amend the previously adopted Task Order No. 3, approving a decrease in the engineering costs for the South Laurel Storm Water Improvements.**

Motion by Council Member Eaton to approve Resolution No. R08-68, 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. R08-69: A resolution authorizing the transfer of funds from the Building Department Fund to the City Hall Capital Projects Fund of the City of Laurel, Montana.**

Motion by Council Member Hart to approve Resolution No. R08-69, 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.

- **Resolution No. R08-70: A resolution authorizing the transfer of funds to the Library Capital Projects Fund of the City of Laurel, Montana.**

Motion by Council Member Easton to approve Resolution No. R08-70, 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. R08-71: Resolution to approve a consultant contract between the City of Laurel and MDG Consulting for the provision of survey services and recommendations for changes to the City's cost allocation system.**

Motion by Council Member Wilkins to approve Resolution No. R08-71, 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.

- **Resolution No. R08-72: A resolution authorizing the Mayor to execute a contract for the Chief Administrative Officer position between the City of Laurel and William Sheridan.**

Motion by Council Member Stamper to approve Resolution No. R08-72, 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.

- **Resolution No. R08-73: A resolution authorizing the Mayor to sign a change order for additional construction services for the remodeling of the ambulance portion of the Fire, Ambulance, Police (FAP) building.**

Motion by Council Member Dickerson to approve Resolution No. R08-73, 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.

- **Resolution No. R08-74: A resolution approving an agreement between the City of Laurel and Winkler Excavating for the removal and replacement of the six thousand square foot parking lot located at the Laurel City Library.**

Motion by Council Member Mace to approve Resolution No. R08-74, 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.

- **Resolution No. R08-75: A resolution approving an agreement between the City of Laurel and Becker Electric, Inc., for the purchase and replacement of the UPS System, backup generator, and air conditioning unit located at the City's Fire, Ambulance, and Police (FAP) building.**

Motion by Council Member Poehls to approve Resolution No. R08-75, 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. R08-76: A resolution declaring certain City items as surplus and available for donation to the Ryegate Fire Department.**

Motion by Council Member Eaton to approve Resolution No. R08-76, 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.

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 Mace stated that the billboard for Laurel's Centennial should be installed soon. He thinks there should also be a billboard south of town coming into Laurel from Red Lodge.

Council Member Dickerson requested that possible handling of the CIP manual be added to the July 8th council workshop agenda.

Council Member Easton invited the council to attend the demonstration of a crack/seal machine at 8:00 a.m. on Wednesday on Mountain View by Kiwanis Park.

Council Member Eaton stated that she had an article from the 1907 Polk Directory that fit in with the discussion about the Capital Improvements Plan. She read the article to the council:

“Laurel is on the main line of the Northern Pacific railroad, sixteen miles west of Billings, the county seat, at the junction of Red Lodge and Bridger branches of the Northern Pacific. The Northern Pacific railroad is now at work on terminal yards, making Laurel the leading terminal and classification station west of St. Paul. The yards will be double of at least twenty-four tracks each, two and a half miles in length. A seventy-five stall round house, machine shops and a disinfecting plant besides the usual coal bunkers, etc., are included in the terminal plans.

The Great Northern extension from Great Falls (Billings and Northern) is now graded to within two miles of Laurel, the only town in Yellowstone County on this line. This line crosses the Yellowstone River at Laurel and follows the Bridger branch up Clarks Fork to Fromberg, where the Burlington is building a twenty mile track to connect its line now building through Wyoming to Denver with the Bridger branch, thus forming a continuous line over the Great Northern and Burlington routes from Canada to Denver and the Gulf, making a physical merger of the three Hill lines at Laurel. Aside from this, Laurel is to have the next sugar factory built in Montana. The beets grown in the valley about Laurel tested higher in sugar than even the great sugar beet belt in Colorado. Laurel is also in line for the Milwaukee road, which is intending to build to the Bearcreek coal fields. The line is already surveyed.

As to Laurel's growth in the past. Last year the improvements in the way of new building was over \$160,000. This included a new bank building as fine as may be found in the state. The town can now boast of two national banks with a capital of \$65,000, three big mercantile establishments, water works and electric company, two lumber yards and many other enterprises all managed and owned by practical and experienced business men. Buildings are now going up rapidly and people are locating here who have means and ability to handle the rapidly developing business of the greatest railroad center in Eastern Montana.

Express, Northern, Telegraph, Western Union. Long distance telephone concoctions. Mail is delivered daily.”

Council Member Eaton stated that it was neat to see that Laurel had big plans 100 years ago and still does today.

Mayor Olson attended the County Commissioner's meeting today to present the commissioners with an invitation to Laurel's 100-year celebration.

Mayor Olson reported that the 12th Street Bridge should become functional soon, possibly during the week of July 14th.

Mayor Olson stated that the contract with the police union has come to the point where the city has been given an offer. The negotiating team has recommended that the city consider the offer. Mayor Olson stated that the impact on the budget will be reviewed. On the July 8th council workshop agenda, there will be a discussion on the proposal by the Union Local 303 representing the Police Department and the impact on the budget. If the council elects to do so, ratification of the contract will follow.

The Centennial Committee will meet on July 10th at 7:00 p.m.

UNSCHEDULED MATTERS: None.

ADJOURNMENT:

Motion by Council Member Hart 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 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 7:24 p.m.



Cindy Allen, Secretary

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 15th day of July, 2008.

Kenneth E. Olson, Jr., Mayor

Attest:

Mary K. Embleton, Clerk-Treasurer