

MINUTES OF THE CITY COUNCIL OF LAUREL

August 5, 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 August 5, 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 James Caniglia
 Sam Painter Bill Sheridan

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 July 15, 2008, 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.

CORRESPONDENCE:

Yellowstone County Commissioners: Letter of July 8, 2008, regarding ribbon cutting event of the Laurel foot bridge on 12th Street in Laurel.

Laurel Chamber of Commerce: Letter of July 11, 2008, regarding Grand Parade on Saturday, August 9th, at 10:00 a.m.

Montana Department of Revenue: Letter of July 17, 2008, regarding Application for Transfer of Ownership of Montana All-Alcoholic Beverages with Catering Endorsement License No. 03-044-0403-002, PALACE BAR & LANES (formerly DJ's Steak Palace Bar & Grill), 303 East Main, Laurel, Yellowstone County, Montana

Laurel Chamber of Commerce: Minutes of July 10, 2008 Board Meeting.

Montana Department of Transportation: Letter of July 18, 2008, regarding 2008-2012 Final Statewide Transportation Improvement Program.

Montana Department of Commerce: Letter of July 21, 2008, regarding Draft Technical Review Report.

Morrison-Maierle, Inc.: Letter of July 25, 2008, regarding West Laurel Interchange.

PUBLIC HEARING:

- Budget Amendments for Fiscal Year 2007-2008.

Mayor Olson asked Mary Embleton to introduce the issue to the council.

Mary stated that statute requires a public hearing whenever the council needs to amend the budget. The 2007-2008 budget needs to be amended in five funds. The General Fund needs to be amended by a \$100,000 increase in appropriations offset by the increase in revenues. The revenue is from an INTERCAP loan for the procurement of the tender vac fire truck. The HOME Grant program income budget needs to be amended by \$10,000 and offset by \$8,000 because the city helped other first-time homeowners with the program income. The Fire Relief Association received more

revenues from the insurance apportionment than was predicted, so the budget needs to be amended by \$287, both coming in and going out to the Relief Association. The Crime Victims Surcharge, which courts are required to collect for certain offenses, is difficult to predict and needs to be amended by \$6,133. The court collects the surcharge, the city turns it over to the county treasurer, and the county treasurer sends it to the state. The Airport Authority Fund needs to be amended by \$780 for an increase in revenues for House Bill 124 Entitlement. Mary recommended that the council approve the budget amendments and stated that it could be done tonight by waiving the rule or at the next regularly scheduled council meeting.

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.

Motion by Council Member Poehls to waive the rule and place the budget amendment resolution on the council agenda under unscheduled matters, 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.

CONSENT ITEMS:

- **Claims for the month of July 2008 in the amount of \$384,383.21.**
A complete listing of the claims and their amounts is on file in the Clerk-Treasurer's Office.
- **Approval of Payroll Register for PPE 07/13/2008 totaling \$153,848.40.**
- **Approval of Payroll Register for PPE 07/27/2008 totaling \$154,871.73.**
- **Receiving the Committee Reports into the Record.**
 - Budget/Finance Committee minutes of July 15, 2008 were presented.
 - City-County Planning Board minutes of July 10, 2008 were presented.
 - Park Board minutes of July 10, 2008 were presented.
 - Emergency Services Committee minutes of July 21, 2008 were presented.
 - Council Workshop minutes of July 29, 2008 were presented.
 - Laurel Airport Authority 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 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:

- Presentation to Mike Kirschenmann

Mayor Olson presented a framed Certificate of Recognition to Mike Kirschenmann for twenty years of dedicated service as a Laurel Police Reserve. Mayor Olson mentioned that Mike was honored at a recent Police Reserve banquet, which showed the appreciation the city has for individuals like Mike. Mayor Olson read the certificate and thanked Mike for his service. Mayor Olson asked Mike to introduce his wife, Renee, who has been supportive of his years of service on the Laurel Police Reserves.

- Proclamation declaring August 8, 2008, as the City of Laurel's Centennial

Mayor Olson read the following proclamation:

LAUREL CENTENNIAL DAY PROCLAMATION

WHEREAS, On August 3, 1908, a Special Election was held by the citizens of the Village of Laurel on the question of incorporation and,

WHEREAS, The Yellowstone Board of County Commissioners and the County Clerk of the Commission acted as a Board of Canvassers for said Special Election during a Special Meeting held August 8, 1908; and,

WHEREAS, The results of the canvass of the returns of the Special Election was 98 votes for incorporation and no votes against incorporation; and,

WHEREAS, The Yellowstone Board of County commissioners voted said Village of Laurel incorporated into the "Town of Laurel" dated August 8, 1908; and,

WHEREAS, One hundred years later, the City of Laurel continues to serve the citizens of the community by providing services for public health, public safety, and quality of life.

THEREFORE, I, Kenneth E. Olson, Jr., Mayor of the City of Laurel, County of Yellowstone, Montana, do hereby proclaim the 8th day of August, 2008, as the City of Laurel's Centennial and ask that all citizens partake of any and all activities to help celebrate this day.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the official seal of the City of Laurel, Montana, this 5th day of August, 2008.

Mayor Olson thanked Mary Embleton for preparing the Centennial Proclamation.

REPORTS OF BOARDS AND COMMISSIONS: None.

AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT): None.

SCHEDULED MATTERS:

- **Confirmation of Appointments.**

Laurel Police Reserves:

Mayor Olson appointed Sarah Thomas to the Laurel Police Reserves.

Motion by Council Member Poehls to approve the appointment of Sarah Thomas to the Laurel Police 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.

- **Ordinance No. O08-08: An ordinance approving the recodification of ordinances adopted by the City Council that have been compiled as the "Laurel Municipal Code" in accordance with MCA § 7-5-107. First reading.**

Motion by Council Member Eaton to adopt Ordinance No. O08-08, seconded by Council Member Hart. There was no public comment or council discussion. A roll call vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

The public hearing of Ordinance No. O08-08 will be on the September 2nd council agenda.

- **Resolution No. R08-85: A resolution authorizing the Mayor to sign an Estoppel Agreement with Iceland.**

Motion by Council Member Hart to approve Resolution No. R08-85, 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. R08-86: A resolution authorizing the Mayor to execute an agreement between the City of Laurel and the State of Montana Department of Transportation for the City of Laurel's "Laurel Northeast" Community Transportation Enhancement Program "CTEP".**

Motion by Council Member Easton to approve Resolution No. R08-86, 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. R08-87: Resolution authorizing the City Clerk to perform certain and specific budget transfers for the City of Laurel.**

Motion by Council Member Wilkins to approve Resolution No. R08-87, 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. R08-88: Resolution approving Amendment No. 1 to the Agreement for Professional Services dated June 6, 2008 (Task Order No. 7) between the City of Laurel and Great West Engineering, Inc. regarding the CTEP Project for sidewalks, and authorizing the Mayor to execute the attached Amendment No. 1 on the City's behalf.**

Motion by Council Member Stamper to approve Resolution No. R08-88, 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.

- **Resolution No. R08-89: Resolution of Intent to vacate a portion of Maple Avenue, a certain platted street right-of-way located within the City of Laurel.**

Motion by Council Member Dickerson to approve Resolution No. R08-89, 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. R08-90: A resolution of the City Council requesting and supporting an Amendment to MCA § 7-12-4429 that would provide cities and towns within the State of Montana the ability to pledge their respective Street Maintenance assessments as security for loans from public and private sources.**

Motion by Council Member Mace to approve Resolution No. R08-90, 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.

Mayor Olson thanked Mary Embleton for bringing this issue forward for the council's consideration.

- **Motion to select the preferred site for the new fire building.**

Motion by Council Member Stamper to select the Ricci's lot as the preferred site for the new fire building, seconded by Council Member Dickerson. There was no public comment.

Council Member Wilkins agreed that the Ricci's lot is the preferred location, but he would like to have another CMA done or some negotiation for the price.

Mayor Olson stated that, if it is the council's decision to go with this site, there will be further discussion with the property owner.

Council Member Stamper stated that it would be smart to have another CMA done. However, he agrees with Chief Wilm's statement at the council workshop about the location and that the city cannot just look at the cost of the land. Council Member Stamper agrees that there should be further discussion.

Mayor Olson stated that it would be carried forward to negotiate and get the CMA. He will review the timeline to send the proposal to the county with staff to see if it would interfere.

A vote was taken on the motion to select the Ricci's lot as the preferred site for the new fire building. All eight council members present voted aye. Motion carried 8-0.

- **Motion to select the preferred method of financing for the fire department building.**

Mayor Olson asked Clerk/Treasurer Mary Embleton to present information to the council.

Mary received updated information on a capital lease in order to compare the numbers to the G.O. Bond proposal estimate. Copies were distributed to the council, and a copy is attached to the original council minutes. Mary gave a brief overview of the two options considered. She stated that it is critical to make a decision in order to prepare the proper wording for the ballot. With either option, the final decision is up to the voters and the city needs to ask the voters for their support to fund the project.

Mary explained that a general obligation bond is a debt, and the city has enough debt service capacity to handle a \$4 million general obligation bond. General obligation bonds are sold on the open market as a tax exempt bond. The city would need to pay bond counsel fees and financial advisor fees. D. A. Davidson is an example of a broker that would market the general obligation bonds. If approved by the voters, the city would assess the charges on the taxes for the twenty-year term.

A capital lease purchase would be different, as there would be no bond counsel or broker costs. There would simply be a request from the voters to service the lease payment every year. The city would insure the building and have most property rights of ownership to the building under the capital lease purchase program. It would not require any additional security from the lessor because, if the question is put to the voters and approved, that is all the security needed. The assessment would look the same on a taxpayer's bill as it would be an additional charge on the taxes. There would be less cost and paperwork with a lease program, and it would free up the city's general obligation bond debt capacity.

Council Member Dickerson asked regarding the difference to the taxpayer for a \$100,000 home, depending on which method the council chose.

Mary stated that it depends on the wording. Her recommendation would be to ask the taxpayer for the maximum. The wording on the ballot would be up to a maximum of a \$4 million general obligation bond, and the additional costs over the \$4 million would have to be included in the assessment to the taxpayers. Either that or the \$4 million maximum is all the city could do and therefore, the full \$4 million cannot go toward the project itself. There would be the additional costs. At this point, \$4 million to the taxpayer would probably be about the same except that the interest rate is the other big factor. A bond interest rate is usually higher, so the city may have to ask for a little more to service the G.O. bond debt every year. The Government Capital rate is 4.813 percent and general obligation bonds are 6 to 8 percent, usually averaging 7 percent the last few years. In the long run, the city would ask for less annual payment for the lease versus the G.O. bond. Mary thinks that the Capital Purchase would be a little less burden on the taxpayer.

Council Member Poehls asked for an estimate of the approximate additional tax levy for an average house.

Mary stated that it would be approximately \$116 a year on a \$100,000 house.

Council Member Mace stated that the interest rates are adjusted every fifth year, so there would be four rate adjustments and that is equal to the U.S. Treasury.

Mary stated that the U.S. Treasury fluctuates less than the Federal Reserve. It is tied to the U.S. Treasury, not the Federal Reserve. The interest rate has been at about 4 percent and has been inching up slightly. Mary stated that the city could ask for a fixed rate as one of the options of the program. The city can do that because it is pledging an ad valorem tax, or an at value tax, based on property taxes. If an ad valorem tax is pledged for twenty years, the interest rate will be fixed. Mary will ask for that in writing from Government Capital Corporation.

Motion by Council Member Dickerson to select the capital lease purchase method as the means of financing for the fire department building, 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.

- **Motion to accept/reject the Police Union six-point proposal dated June 26, 2008.**

Mayor Olson asked Chief Administrative Officer Bill Sheridan to present the issue to the council.

Bill stated that the council received a proposal from the AFSCME Labor Union No. 303, representing the employees of the city's Police Department. In the recent past, a Montana State mediator spent time with Labor Union No. 303 and representatives from management in an effort to mediate a final labor contract between the two sides. The same mediator has suggested that both labor and management should continue to negotiate a labor/management agreement for the city. While the council must consider the consideration brought by the union and its offer, Bill asked the council to consider directing him and other representatives of management to go back to the negotiating table in an effort to negotiate and finalize a labor/management agreement that is in the best interest of the Police Department employees and in the best interest of the City of Laurel.

Council Member Hart stated that she understands the consequences if the council accepted the Police Union proposal. She asked for an explanation of the consequences if the council rejected the proposal.

Bill stated that the city would need to try to continue to negotiate with the labor union. When it becomes absolutely clear, and it is not absolutely clear now, that negotiation is at a roadblock, it will have to go to an arbitrator. Bill stated that he does not believe personally that the city should be at that position at this time. He thinks there is the possibility of additional negotiations that will eventually lead to a contract for the city and the Police Department employees.

Motion by Council Member Poehls to reject the Police Union's six-point proposal, seconded by Council Member Hart. There was no public comment.

Council Member Mace asked for clarification from legal counsel on what a yea or nay vote would mean.

Sam Painter stated that the motion was to reject the union's proposal so a yes vote would support rejection of the proposal.

A vote was taken on the motion to reject the Police Union's six-point proposal. All eight council members present voted aye. Motion carried 8-0.

ITEMS REMOVED FROM THE CONSENT AGENDA: None.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT):

Larry Tanglen, *Laurel Outlook*, congratulated the City of Laurel on the celebration of its 100-year Centennial and extended his wishes for another successful hundred years. He stated that, from time-to-time there are opportunities to disagree on some items, but this is something we can all agree on. He expressed his congratulations and best wishes.

COUNCIL DISCUSSION:

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

Council Member Eaton stated that the Yellowstone County Historic Preservation Board will meet on Tuesday, August 12th, at 8:00 a.m. at the Pictograph Caves.

Council Member Hart stated that the Park Board would not meet on Thursday, August 7th. Information will be distributed to the members prior to the September meeting.

Council Member Easton stated that the Tree Board received a grant from the National Tree Board Association to purchase an oak tree to plant in Thomson Park on August 8th, in celebration of the city's centennial. After discussion, the council agreed to set the time for 11:30 a.m. for the tree planting ceremony by the monument in Thomson Park. The location for the tree has been measured out so no other trees would interfere with it. The setback is appropriate so that if the city ever built a new swimming pool, it would not conflict. The tree is about eight feet tall and has been in the nursery since April.

Council Member Stamper spoke regarding Council Member Easton's statement of "if" the city ever built a new swimming pool. He stated that it should be "when" the city builds a new swimming pool.

Mayor Olson stated that a new pool is an important issue and he would certainly like to see that happen.

Council Member Dickerson mentioned that the railing has been installed on the 12th Street walking bridge and it is an asset to the City of Laurel.

Council Member Dickerson encouraged the council to assist with the Centennial events this weekend.

Mayor Olson echoed Council Member Dickerson's sentiments about the Centennial events. He reiterated the scheduled events for the Centennial celebration and asked the council to help serve at the BBQ on Friday evening. Friday's events include activities in Town Square, historical tours, wagon rides, the BBQ, birthday ceremony, birthday cake, and fireworks. Saturday's events include the 10:00 a.m. parade, a craft fair at Firemen's Park, historical tours, displays, the Big Sky Choir at 5:30 p.m. in Riverside Park, and the Odyssey West presentation at 7:00 p.m. in Riverside Park. Riverside Park has been sprayed for mosquitoes. A list of sponsors and donors is included on the program.

UNSCHEDULED MATTERS:

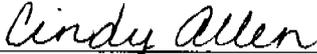
- **Resolution No. R08-91: Budget amendment resolution amending appropriations and revenues for various funds for fiscal year 2008.**

Motion by Council Member Dickerson to approve Resolution No. R08-91, 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.

ADJOURNMENT:

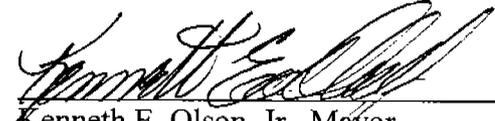
Motion by Council Member Poehls to adjourn the council meeting, seconded by Council Member Dickerson. There was no public comment or council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

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



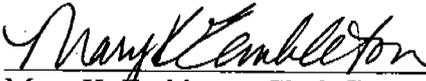
Cindy Allen, Secretary

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 19th day of August, 2008.



Kenneth E. Olson, Jr., Mayor

Attest:



Mary K. Embleton, Clerk-Treasurer



GOVERNMENT CAPITAL
CORPORATION

From the Office of:

MIKE WALTER

13329 Co. Road 334
Savannah, MO 64485
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3106 Lakefield Way
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281 565-6545
281 491-7820 fax

2384 Highway 59 East
Beeville, TX 78102
361 362-2760
361 362-2763 fax

Quote #: 073108-01

Date: July 31, 2008

To: City of Laurel Fire Department - Laurel, Montana

Attn: Mary K. Embleton, CMC - City Clerk/Treasurer

The information below is relative to the proposed Tax Exempt financing for the Construction of the following:

Fire Station

Contract Amount: \$ 4,000,000.00
Down Payment: None
Balance Amount: \$ 4,000,000.00

<u>Term</u>	<u>Rate</u>	<u>Annual Payment Amount</u>
20 yrs.	4.813 %	\$ 316,062.03

The financing structure above does not include related costs, i.e., survey, title policy, environmental study, appraisal, applicable legal fees, etc., but may be included in the financed amount

The first annual payment will become due August 01, 2009 and will continue annually thereafter. Should you desire a first payment date other than the date shown, please advise. The above is subject to audit analysis, documentation, and bank qualification. If closing occurs after August 15, 2008 we reserve the right to index rates to current market. Rates are subject to adjustment at each fifth year to equal year U.S. treasuries.

We appreciate the opportunity to submit this solution. If you have questions, please feel free to call me at (816) 324-0336, or you can send an email to me at mikew@govcap.com

Submitted by:

Mike Walter
Public Finance Division



"Your Public Finance Partner"