

MINUTES OF THE CITY COUNCIL OF LAUREL

August 16, 2011

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 16, 2011.

COUNCIL MEMBERS PRESENT:	Emelie Eaton	Mark Mace
	Bruce McGee	Chuck Dickerson
	Chuck Rodgers	Norm Stamper
COUNCIL MEMBERS ABSENT:	Tom Nelson	Doug Poehls
OTHER STAFF PRESENT:	Sam Painter	

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

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

MINUTES:

- **Council Minutes of August 2, 2011.**

Motion by Council Member Rodgers to approve the minutes of the regular meeting of August 2, 2011, as presented, 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.

- **Special Council Minutes of August 9, 2011 (1).**

Motion by Council Member Dickerson to approve the minutes of the special meeting (1) of August 9, 2011, as presented, seconded by Council Member Stamper. 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.

- **Special Council Minutes of August 9, 2011 (2).**

Motion by Council Member Eaton to approve the minutes of the special meeting (2) of August 9, 2011, as presented, 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.

CORRESPONDENCE:

Mindy Bausch: Letter of August 2, 2011, regarding a spray park in Laurel.

Raigan Bausch: Letter of August 2, 2011, regarding a spray park in Laurel.

Montana Department of Environmental Quality: Letter of July 29, 2011, regarding Laurel Headworks O&M Manual, WPCSRF ARRA Project C303195, Phase 2A1, Laurel, MT.

Department of Natural Resources and Conservation: Letter of August 3, 2011, requesting comments on the proposed request to issue a Temporary construction License and Easement for the relocated Silvertip Pipeline.

Notice of application for a Floodplain Permit by Exxon Mobil Pipeline in Laurel Riverside Park.

PUBLIC HEARING:

- Intention to create Special Improvement District No. 113
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Mayor Olson stated that SID No. 113 is an assessment to the property owners on Southeast 4th Street. The project includes a leveling course from the City at a cost of \$60,000 and the milling and overlay of two inches of asphalt to the street, which will be a per square foot assessment to the property owners.

Mayor Olson opened the public hearing and read the rules governing 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 and stated that no written protests were received.

CONSENT ITEMS:

- **Clerk/Treasurer Financial Statements for the month of July 2011.**
- **Approval of Payroll Register for PPE 08/07/2011 totaling \$173,624.79.**
- **Receiving the Committee Reports into the Record.**
 - Budget/Finance Committee minutes of August 2, 2011 were presented.
 - Council Workshop minutes of August 9, 2011 were presented.
 - Laurel Urban Renewal Agency minutes of July 18, 2011 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 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.

CEREMONIAL CALENDAR: None.

REPORTS OF BOARDS AND COMMISSIONS: None.

AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT): None.

SCHEDULED MATTERS:

- **Confirmation of Appointments:** None.
- **Presentation of 2011-2012 Preliminary Budget.**

Shirley Ewan, Clerk/Treasurer, stated that the Preliminary Budget will be voted on at the council meeting on September 6th. She explained some items that need to be adjusted in the budget. An additional \$6,000 will be added to the Parks Department for trees. The preliminary budget has \$6,000 for trees, but \$12,000, or \$2.00 per capita, is needed for the city to qualify for Tree City USA. Today the city received \$300,000 from ExxonMobil for work down at Riverside Park. Since that was not anticipated in the budget, \$300,000 will be added in as revenue and also as expenditure under expendable grants. Shirley stated that the adjustments would be made prior to the public hearing.

Shirley stated that this year the floating mills came in at \$163.31, which is 1.89 mills more than last year. The city received \$88 more per mill this year than last year, which came to about \$100,000 with all the mills considered. The Airport Authority mill is separated out, which should have been done for years and was actually done for the first time last year. The auditor's have written it up that the Airport Authority is its own taxing authority. The tax levy requirement schedule in the budget shows that one mill equals \$6,493. In the General Fund, because expenditures came in under budget last year and revenues were higher than expected, there was enough money to move some mills into other categories where they were needed. Some mills were moved to the Comprehensive Insurance Fund because it runs with a negative balance all the time and there are no reserves. In the Group

Health Insurance Fund, \$10,200 was added for the police. This caused the Permissive Mill Levy to go up slightly, but the rest has to be picked up in the Group Health Insurance. Historically, there has never been enough budgeted in the Group Health Insurance to cover the General Fund, which it is supposed to cover in total.

Shirley asked the council to review the Budget Message before the preliminary hearing. The Budget Message explains the major changes that happened this year and some of the different amounts that have been budgeted. Per the Budget/Finance Committee's suggestion, the city tried to keep the revenues equal to the expenditures in the General Fund. Every department has made cuts and is down to what they can live with now. The CIP balance of \$95,000 was moved into the CIP Fund for projects and capital outlay for the General Fund. Shirley stated that the council needs to consider a resolution for the right-of-way fees. Last year there was \$175,000 in right-of-way charges from the water and sewer for the streets and the right-of-way that the General Fund can legally charge. This year, staff will request the council to review and follow the report developed by Miral Gamradt in 2009. The 2009 resolution only accepted the first two years, and staff would like the council to accept the remaining three years of the five-year plan. The budgeted amount was \$175,000 last year and is \$225,000 this year, as it increased \$50,000 per year. Shirley suggested that a cap is needed at year five, or the city would end up owning the water and sewer, which is not what is expected. She stated that the right-of-way fees need to be seriously considered.

Liability insurance premiums increased \$1,162 this year, workers' comp stayed the same, and unemployment insurance went up from .0015 percent to .0025 percent. The union negotiations with AFSCME 316 have not been completed and are not included in the budget. When a contract is finalized, the departments will be expected to absorb any increase in their expenditures. The Tax Increment Financing Fund increased \$60,000 this year. TIFD funds of \$228,000 are available for the sidewalk, façade improvement and technical assistance projects. If all of the projects are completed in the Street Maintenance Fund, there will be a cash balance of \$14,000 at the end of the year so the fund needs to be watched carefully. The Gas Tax Fund revenues will be \$128,768, and only wages and minor expenditures will come from the fund. Shirley stated that 15 percent of the city planner's wage will come from the Transit Grant, since the planner is the administrator of the grant. The Energy Efficiency Block Grant was not completed last year and is in this budget. I do have all the SID's in here for this year. The SID's, including the SID on Southeast 4th Street and the proposed SID in Elena Subdivision, are in the budget.

The capital outlay this year includes the FAP addition for \$353,000 and restricted cash of \$43,186 for a new command vehicle for the fire chief. It has been decided that the Fire Chief will acquire a State surplus vehicle at a much lower cost and then equip that vehicle. The sprinkler system in the cemetery will cost \$133,000, and the cemetery has requested a new vehicle. This vehicle will also be purchased at a surplus sale in order to find a less expensive vehicle. The library has \$8,000 for carpeting. The budget includes \$6.4 million for Phase 2A2 in water and sewer, and \$800,000 was taken out of the city's reserves in the sewer department to get the engineering done.

Mayor Olson stated that the public hearing for the preliminary budget will be on August 30th. He encouraged the council to contact him or Shirley regarding any questions or concerns.

- **Resolution No. R11-69: A resolution approving a Right of Way Grant between the City of Laurel and ExxonMobil Pipeline Company.**

Motion by Council Member Dickerson to approve Resolution No. R11-69, 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.

Mayor Olson thanked the ExxonMobil representatives and wished them Godspeed and safety with their project.

- **Resolution No. R11-70: A resolution of the City Council authorizing the Mayor to sign a subcontract with the United Way of Yellowstone County accepting a grant for enforcing underage drinking laws.**

Motion by Council Member McGee to approve Resolution No. R11-70, 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. R11-71: A resolution approving Change Order No. 3 to the previously approved contract with Blacktop, Inc. for the 2010 Street Maintenance Project, adding an additional seventeen days to substantial completion due to inclement weather in May and June and authorizing the Mayor to execute the attached Change Order No. 3 on the City's behalf.**

Motion by Council Member Stamper to approve Resolution No. R11-71, 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. R11-72: Resolution relating to Special Improvement District No. 113; Creating the District for the purpose of undertaking certain local improvements and financing the costs thereof and incidental thereto through the issuance of Special Improvement District Bonds secured by the City's Special Improvement District Revolving Fund.**

Motion by Council Member Eaton to approve Resolution No. R11-72, 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. R11-73: A resolution authorizing the Mayor to execute a contract for the City Prosecutor position between the City of Laurel and Matthew Wilcox.**

Motion by Council Member Rodgers to approve Resolution No. R11-73, 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.

- **Resolution No. R11-74: A resolution declaring certain items of the City as surplus available for sale to the public.**

Motion by Council Member Eaton to approve Resolution No. R11-74, 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. R11-75: A resolution rescinding Resolution No. R11-64, a previously adopted Resolution of Intent to increase the City's water and sanitary sewer rates and charges.**

Motion by Council Member Mace to approve Resolution No. R11-75, 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.

ITEMS REMOVED FROM THE CONSENT AGENDA: None.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT): None.

COUNCIL DISCUSSION:

Council Member Mace stated concern about the light on 8th Avenue that has not been turned on. Since the one-year walkthrough should be soon, he wanted to make sure it was addressed. The assessments have gone out to the districts for the usage.

Mayor Olson stated that he would contact Stefan Streeter regarding this issue.

Council Member Dickerson asked for discussion regarding the status of the enhancements at Murray Park, including the tree replacement and the roofing over the generator, at the next council workshop.

Council Member Eaton requested an update regarding the FAP building improvements at the next council workshop.

Mayor Olson stated that, as discussed at the Budget/Finance Committee, the storage units will be moved off the property and more information will be known next week. Next Monday, the excavator is scheduled to go forward and start the actual groundwork.

Mayor Olson mentioned that no council meeting is scheduled next week. There will be a special council meeting for the budget public hearing on August 30th at 6:30 p.m., and the regular council workshop will follow the special meeting. Adoption of the final budget and tax resolutions is scheduled on September 6th.

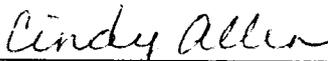
Mayor Olson spoke regarding today's lunch with ExxonMobil representatives. At that time, Dale Getz, a representative of ExxonMobil Foundation, presented the City of Laurel with a \$300,000 check. The check was ExxonMobil's contribution to the city's levee restoration effort to ensure that the levee will withhold another water event. Mayor Olson thanked Exxon for seeing the need and for coming forth with a tremendous civic donation. He recently met Mr. Preussing, the President of ExxonMobil Pipeline, who is a very engaging individual. At that time, they discussed the city's need to find partners to help ensure protection from a catastrophic event, such as flooding, for the citizens of Laurel. Mayor Olson expressed appreciation to ExxonMobil for the generous check to the City of Laurel.

UNSCHEDULED MATTERS: None.

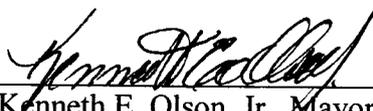
ADJOURNMENT:

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.

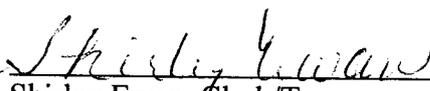
There being no further business to come before the council at this time, the meeting was adjourned at 7:05 p.m.


Cindy Allen, Council Secretary

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 6th day of September, 2011.


Kenneth E. Olson, Jr., Mayor

Attest:


Shirley Ewan, Clerk/Treasurer

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