

# MINUTES OF THE CITY COUNCIL OF LAUREL

August 30, 2011

A special 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 30, 2011.

COUNCIL MEMBERS PRESENT:           Emelie Eaton                   Doug Poehls  
  Bruce McGee                   Mark Mace  
  Chuck Rodgers               Chuck Dickerson  
  Tom Nelson

COUNCIL MEMBERS ABSENT:           Norm Stamper

OTHER STAFF PRESENT:               Sam Painter                   Shirley Ewan

## SCHEDULED MATTER:

### Public Hearing:

- Preliminary Budget for Fiscal Year 2011-2012 for all City Budgets and Tax Resolutions

Mayor Olson stated that the purpose of the meeting is to have a public hearing on the Preliminary Budget for fiscal year 2011-2012 for all city budgets and tax resolutions. He asked clerk/treasurer Shirley Ewan to introduce the item to the council.

Shirley Ewan stated that the budget message sums up the major changes in this year's budget. She explained two budget changes, copies of which were distributed to the council. The first change to add to the final budget is the additional \$6,000 in the parks for the trees needed to meet the Tree City USA requirements. The second change is the \$300,000 received from ExxonMobil, which is in Expendable Grant, fund number 2702, for Riverside Park.

Council Member Dickerson asked if the \$100,000 from Cenex for the levee and the \$1,000 per day from ExxonMobil would have any change on the budget.

Shirley explained that the \$1,000 per day from ExxonMobil will increase the revenues somewhat, but not enough to change the whole budget. It is in the budget and will be restricted for parks. The \$100,000 from CHS is already in the budget. The money is in Expendable Grants and the city is restricting part of that money. The \$15,000 for the actual right-of-way fees has already been received and put in restricted parks.

Council Member Dickerson asked if any grant monies awarded to the city from FEMA for the levee would have a bearing on the budget.

Mayor Olson stated that the State would get the money and the City of Laurel would make draws on the FEMA grant money through the State. If that changes, a budget amendment might be needed.

Shirley stated that Federal grants that were allocated during the year should be budgeted, but it is not mandatory that they are budgeted.

Council Member Eaton asked if the restricted funds could earn interest while the city is waiting on FEMA.

Mayor Olson stated that the funds are in an interest-bearing account at the current time. The city does not know the amount of matching funds required for any type of FEMA assistance. The city must be cognizant that acceptance of the \$300,000 was for the levee.

Shirley stated that, at the current interest rate, it would not make any difference. The money will earn interest every month when the interest is divided up among the different funds, according to the cash balance at that time. But it will be a minimal amount. The General Fund usually earns about \$2,000 in interest annually, and the General Fund usually has a lot more money than this.

Shirley reviewed the tax resolutions. The first resolution is for adoption of the final budget. The second resolution is the levy of mills, which has been calculated at 204.18 this year. SID No. 111 will be assessed \$7,668. SID No. 112 was finally closed by the State so assessments will be levied for the first year. It was budgeted at \$37,189 and came in at \$15,000, so the property owners are getting a good deal. The first year's assessment is \$2,093 for the sidewalks on West Main. Letters were sent to the property owners today so they can pay the assessment up front and not have it put on their taxes. The assessment for SID No. 113 is \$30,600. This may change if some property owners pay the assessment up front. Light District No. 2 is at \$.37 per square foot for an assessment of \$47,667. Light District No. 3 is at \$1.57 per square foot for an assessment of \$25,757. Street maintenance is at \$.02 per square foot for a total of \$558,828, which is the same amount as last year. The resolution shows that \$1,039,561 will be spent and that will be from reserves. Next year, the council needs to look at raising this or cutting back because reserves are being used. If the money is used as projected this year, there will only be \$14,000 left in the fund. Sweeping District No. 1 is located in the Street Maintenance Fund now because it cannot afford to pay for its own expenditures. The assessment is at \$17,640.60, which is \$.78 cents per frontage foot. The water, sewer and garbage charges that people have not paid will be added as assessments on their taxes.

Council Member Poehls stated that he has been very adamant about balancing the budget and asked Shirley to succinctly explain where the budget is in regards to being balanced.

Shirley stated that the revenues did not equal the expenditures this year, as they are about \$200,000 off. The reasoning behind that was to continue with the plan the council approved for the CIP Fund. So \$95,000 is going into the CIP Fund, which is the general fund for capital improvement. The city tried to cut every way possible. The levy could have been raised, but then the reserve would have been increased too much. Shirley stated that this is not balanced revenue with expenditures but it is good.

Council Member Poehls asked the percentage of the reserves.

Shirley stated that the reserves are at 25 percent.

Council Member Poehls stated that he could not argue with that, since reserves are over 20 percent.

Shirley stated that other funds like the comp insurance and the PERS have no reserve in them at all. By the end of the first six months, those funds always have a negative cash balance. The city is trying to get enough reserves in those funds for the first six months. The General Fund is at 25 percent, which is good for a city.

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.

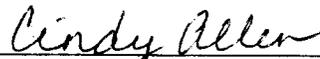
Mayor Olson asked four times if there were any opponents. There were none.

Mayor Olson closed the public hearing.

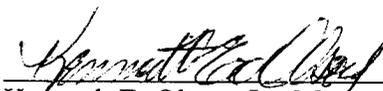
**ADJOURNMENT:**

Motion by Council Member Poehls 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 seven council members present voted aye. Motion carried 7-0.

There being no further business to come before the council at this time, the meeting was adjourned at 6:47 p.m.

  
Cindy Allen, Council Secretary

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

  
Kenneth E. Olson, Jr., Mayor

Attest:  
  
Shirley Ewan, Clerk/Treasurer