

MINUTES OF THE CITY COUNCIL OF LAUREL

August 21, 2012

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 6:35 p.m. on August 21, 2012.

COUNCIL MEMBERS PRESENT: Emelie Eaton Doug Poehls
 Bruce McGee Mark Mace
 Scot Stokes Chuck Dickerson
 Tom Nelson Bill Mountsier

COUNCIL MEMBERS ABSENT: None

OTHER STAFF PRESENT: Shirley Ewan

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 Nelson to approve the minutes of the regular meeting of August 7, 2012, 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.

CORRESPONDENCE:

Montana Department of Transportation: Letter of August 3, 2012 regarding MAP-21.

PUBLIC HEARING: None.

CONSENT ITEMS:

- **Clerk/Treasurer Financial Statements for the month of July 2012.**
- **Approval of Payroll Register for PPE 08/05/2012 totaling \$181,245.08.**
- **Receiving the Committee Reports into the Record.**
 - Budget/Finance Committee minutes of August 7, 2012 were presented.
 - City-County Planning Board minutes of August 2, 2012 were presented.
 - Park Board minutes of August 2, 2012 were presented.
 - Council Workshop minutes of August 14, 2012 were presented.
 - Emergency Services Committee minutes of July 23, 2012 were presented.
 - Laurel Urban Renewal Agency minutes of July 16, 2012 were presented.
 - Library Board minutes of April 10, 2012 were presented.
 - Library Board minutes of May 8, 2012 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: None.

REPORTS OF BOARDS AND COMMISSIONS: None.

AUDIENCE PARTICIPATION (THREE-MINUTE LIMIT):

Gretchen Paulson, 1103 Davis Circle, asked to speak regarding Resolution No. R12-59.

Mayor Olson asked her to speak during the scheduled item.

SCHEDULED MATTERS:

- **Confirmation of Appointments.**

Laurel Ambulance Service:

Mayor Olson appointed Georgia Gerber as a Reserve Attendant on the Laurel Ambulance Service.

Motion by Council Member Stokes to approve the Mayor's appointment of Georgia Gerber as a Reserve Attendant on the Laurel Ambulance Service, seconded by Council Member Nelson. 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.

- **Presentation of 2012-2013 Preliminary Budget.**

Clerk/Treasurer Shirley Ewan reviewed the Budget Message in the 2012-2013 Preliminary Budget. The city received the mill values, which came in \$71 higher than last year. Actual mills were \$6,564, which made an additional \$29,449 for the general all-purpose mills. The city has 166.03 mills this year, compared with 163.31 mills last year. The Airport Authority mills went up by .04. The permissive mills for health insurance increased in 2009 and the city has been able to add additional mills for the amount of the city's increased costs to pay for the health insurance.

General Fund expenditures are \$3,954,000 and the revenues are at \$3,513,000, which leaves a deficit of \$441,771. Because the General Fund had adequate reserves, those reserves have been used to balance the budget this year. The city had 25 percent in reserves last year and will have 22 percent in reserves this year, if the revenues come in as budgeted and the expenditures go out as budgeted.

Shirley explained reserves. At the end of the 2011-2012 fiscal year, the General Fund had \$1,312,000 in reserves, which is how much cash was left at the end of June 30th. That money, which was 25 percent, is the reserve to start the beginning of this fiscal year. If the council passes the final budget, the General Fund appropriations/expenditures for this year are \$3,954,000. The total revenues coming in, including taxes and non-tax revenues, is \$3,513,000. This leaves a deficit of \$471,000. The total resources include cash of \$1.3 million, non-tax revenues of \$2.8 million, and property taxes of \$628,000. Total revenues for the whole year will be \$4,825,000. By taking the \$4,825,000 and subtracting the appropriations of \$3.954 million, there is a budgeted cash reserve of \$870,922, which is anticipated to be in the cash coffers at the end of June 30, 2013. That is considered to be the reserve. At no time does the city have an extra pot of money that is specified as the reserves. The money is grouped together, and whatever is left at the end of the year is considered the General Fund's reserves. This year, there should be 22 percent left in reserves, which is \$870,000. Last fiscal year, the city had 25 percent, but because revenues came in higher and expenditures came in lower, the city ended up with \$1.3 million in reserves, even though only \$999,000 was anticipated. The higher reserves had to do with Exxon-Mobil and the work they did at Riverside Park. If all the revenues come in as anticipated and the expenditures go out as anticipated, there should be 22 percent left in reserves to start the next fiscal year. The city must have at least six months' worth of cash reserves to get to the tax season at the end of November.

Shirley spoke about other general all-purpose funds. The comp insurance is at 17.14 this year. The City of Laurel's total mills are at 208.4 this year, including the Airport Authority's mills, the Permissive Levy for health insurance, and the emergency /disaster mill levy. The emergency/disaster mill levy is 2 mills that the council has to approve in the budget so the city can

get FEMA money. FEMA will not help out with the flooding from last year unless the city is willing to authorize these two mills. According to state statute, the city can authorize two mills for any kind of emergency. It does not bring in much money, because one mill is worth \$6,564. FEMA will then put in \$21,000 to help save the riverbank and the water intake valve.

Council Member asked regarding last year's projected reserve in the budget.

Shirley stated that the projected reserve was 25 percent, but the city went over that.

Council Member Poehls stated that typically one underestimates revenues and overestimate expenditures in a budget, and he asked how last year's reserves ended.

Shirley stated that last year's reserves ended close to 30 percent. It is possible that reserves could be higher than 22 percent at the end of this fiscal year. However, the council still needs to consider the resolution for the judge's salary increase and the police union contract has not been finalized. For the judge's salary increase, Shirley proposed that the increased amount be taken out of the \$50,000 set aside for retirees, rather than putting the budget into greater deficit.

Shirley explained that LURA or the TIFD (Tax Increment Finance District) will pay off all but one payment to the sewer fund. The additional \$355,000 was needed for the city to qualify for the sewer loan from DNRC. The total payment for tax increment is \$475,432 this year, and that includes the water fund's portion. LURA will still have money to do their business and will receive more tax revenues in November.

The Street Maintenance Fund remains at the same amount this year.

The 911 Fund, through the police department and dispatch, will pay for the \$6,000 base radio for the ambulance department. The General Fund has to contribute \$17,500 to the COPS Grant police officer this year. This is the last year of the COPS Grant, and the council needs to determine whether to keep it going, as it will cost the General Fund \$75,000 next year to keep the one police officer. The city is obligated to keep the officer for two years. The council needs to decide whether to fund the \$75,000 or to lay off the newest officer.

The Federal Equitable Sharing Fund is the money that comes in from the DEA and the police chief decides how to spend it, as shown by the expenditures.

There were over \$1 million in requests for the Capital Improvement Fund, and it was cut down to \$282,000. The CIP Fund includes the office remodel at the FAP building for \$80,000. The fire department receives 15 percent of the fire district contract fees, and the department is using the funds for a rehab center for extending calls for \$6,479 and a thermal imager camera.

The cemetery sprinkler system had \$108,000 for the system and unallocated funds were used to make it \$148,000. The city will try to go back out to bid for the sprinkler system.

The Transportation Study in the CIP is \$40,000.

In the Sewer Fund, some manipulating was done so rates do not have to be raised in order to get the loan from DNRC.

Shirley encouraged the council to review the Budget Message, which explains the changes for this year's budget.

Mayor Olson stated that the public hearing on the Preliminary Budget is scheduled on September 4th.

Shirley requested that the council approve the budget on September 4th in order to follow Montana Code requirements. Shirley also asked the council to contact her with any questions regarding the budget.

- **Resolution No. R12-59: Resolution relating to Special Improvement District No. 114; 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; and providing for the maintenance of the improvements.**

Motion by Council Member McGee to approve Resolution No. R12-59, seconded by Council Member Eaton.

Gretchen Paulson, 1103 Davis Circle, lives in Elena Subdivision and within the Special Improvement District No. 114. She thanked the city council for passing the SID and getting it moving forward. The ditch, which is part of the park, is right behind her house. They mow the weeds, but others in the neighborhood do not, so she is grateful to the city council for getting the SID going. As a member of the Park Board, she has been approached by some of her neighbors. There are some new neighbors and she does not know if they were notified about the SID and the additional fees. She asked if there was a way for the city to let them know.

Mayor Olson explained that, when the SID process started, the city identified the property owners through the current tax rolls. The city sent the current property owners certified letters with a return receipt. In a conversation with some residents just before this meeting, one county resident who owns some city property informed Mayor Olson that he did not receive the notices. Mayor Olson will find out what happened, as the city did the necessary steps to inform the property owners of the SID and the assessments. He had to remind those people that the park is part of their SIA as property owners in Elena Subdivision. When owners bought property in Elena, the SIA gave up their right of protest for the SID. No letters of protest were received for presentation to the council at the end of the protest period.

Gretchen wanted to make sure that all the landowners in Elena Subdivision were aware before going farther in the process and having someone raise problems later.

Mayor Olson will check with the city planner regarding these issues. He thanked Gretchen for her participation.

There was no council discussion. A vote was taken on the motion. All eight council members present voted aye. Motion carried 8-0.

- **Resolution No. R12-60: A resolution adopting and approving a wage increase for the City Judge for the City of Laurel.**

Motion by Council Member Poehls to approve Resolution No. R12-60, seconded by Council Member Mace. There was no public comment.

Council Member McGee stated that, for the record, he is opposed to eroding any of the city's reserve funds as they do not seem to be enough as it is. But it bothers him that a leading member of the community that does so much for us should continue to work for wages that seem insufficient to him, so he is in favor of the wage increase for the city judge.

Council Member Poehls agreed and stated that a reasonable compromise was worked out. The judge asked for more than the council was willing to give, but the end result is in line with what judges make in other similar sized communities and what a person in a full-time job typically makes. Council Member Poehls supports the wage increase and the clerk/treasurer's suggestion of how to include it in the 2012-2013 budget.

A vote was taken on the motion to approve Resolution No. R12-60. All eight council members present voted aye. Motion carried 8-0.

- **Ordinance No. O12-05: An ordinance amending Section 2.10.080(A) of the Laurel Municipal Code titled "Public Hearing" located at Title 2 of the Laurel Municipal Code.** First reading.

Motion by Council Member McGee to adopt Ordinance No. O12-05, seconded by Council Member Nelson. There was no public comment or council discussion. A roll call vote was taken on the motion. Council Members Poehls, Mace, Dickerson, Mountsier, Nelson and McGee voted aye. Council Members Stokes and Eaton voted nay. Motion carried 6-2.

ITEMS REMOVED FROM THE CONSENT AGENDA: None.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT): None.

COUNCIL DISCUSSION:

Council Member Poehls stated that the Emergency Services Committee will meet on Monday, August 27th, at 5:30 p.m. to discuss the dog ordinance and the rabies issue.

Council Member Mace stated that the Park Board will meet on September 6th regarding the skate park issue with the citizens. There was discussion regarding the four council members on the Park Board and concern with having more council members attend the meeting.

Council Member Mountsier thanked the city for removing the traffic obstruction along Maryland and Pennsylvania.

Council Member Mountsier mentioned some recent parking issues at the stadium. Today a big SUV was parked right in the crosswalk and another car was parked in front of a fire hydrant.

Mayor Olson stated that the CAO will meet with the school on a different subject this week, and he will ask her to put the school on notice that cars and buses will have to obey the postings when they attend events. Mayor Olson will contact the paper and put out a notice, as the only way the city can get people to pay attention is to issue tickets.

Council Member Nelson asked to put the leases in Riverside Park on the August 28th council workshop agenda for council discussion.

Council Member Stokes stated that the skate park group has been out trying to get signatures from residents by Kiwanis Park. Some folks that live in the area have contacted him with concerns about the park hours. Posted signs say the park is closed from midnight to 6:00 a.m., so the police cannot do anything. He asked if the city could discuss changing the park hours to close at dark, as there is no need for anybody to be in the park at 11:00 p.m. or midnight.

Mayor Olson agreed to put the discussion on the next workshop agenda.

Council Member Dickerson asked for discussion regarding park closure times for all city parks, as Murray Park has a lot of activity after midnight and it is not patrolled.

Council Member Stokes asked if the park could be patrolled more, as inappropriate things are going on inside the fence in the park. Residents said that nothing happens when they call the police department, as they are told that the park is not closed.

Council Member McGee asked for discussion of annexation of Riverside Park on the next council workshop agenda.

Mayor Olson mentioned that Emelie Eaton and Heidi Jensen will represent the City of Laurel at the League of Cities and Towns Conference in Kalispell in October. Mayor Olson was asked to be on the Legislative Committee for the League and will attend a meeting in Helena on September 13th or 20th. If the city wants to sponsor some type of legislation, the council could discuss that at a workshop. The agenda for the October meeting will be distributed as soon as it is received.

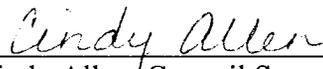
Mayor Olson reminded the council about the special council meeting on August 28th at 6:30 p.m. for the public hearing for the maintenance assessment for SID No. 114. If the council chooses, they could vote on the assessment that night in order to fulfill the statute requirements and place the assessments on the tax rolls by the required date. The regular council workshop will follow the special council meeting on August 28th.

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 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 7:19 p.m.



Cindy Allen, Council Secretary

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 4th day of September, 2012.



Kenneth E. Olson, Jr., Mayor

Attest:



Shirley Ewan, Clerk/Treasurer