

**MINUTES  
COUNCIL WORKSHOP  
NOVEMBER 10, 2015 6:30 P.M.  
COUNCIL CHAMBERS**

A Council Workshop was held in the Council Chambers and called to order by Mayor Mark Mace at 6:30 p.m. on November 10, 2015.

**COUNCIL MEMBERS PRESENT:**

<input checked="" type="checkbox"/> Emelie Eaton	<input checked="" type="checkbox"/> Doug Poehls
<input checked="" type="checkbox"/> Bruce McGee	<input checked="" type="checkbox"/> Richard Herr
<input checked="" type="checkbox"/> Chuck Dickerson	<input type="checkbox"/> Scot Stokes
<input checked="" type="checkbox"/> Tom Nelson	<input checked="" type="checkbox"/> Bill Mountsier

**OTHERS PRESENT:**

Heidi Jensen, CAO  
Noel Eaton, City Planner  
Jason Wells, Detective

**Public Input:**

There was no public input.

**General items**

There were none.

**Executive Review**

- Resolution – Local 303 Union Contract

Heidi explained the interest based approach that the city and Local 303 took this time for negotiations. The traditional bargaining approach used in the past did not usually result in anything constructive and then ended up in mitigation. This time both sides agreed to try interest based bargaining, with the help of a mediator provided by the State. Both sides wrote down their issues with the contract and the supposals were discussed. Heidi stated that more came out of this contract, in terms of understanding of change and growth, for both city management and the police union than ever before. There was language in the contract that the city did not understand why it was so important to the police union, and there were items the city wanted to put into the contract that the police union did not understand. Without the roundtable discussion, this would not have happened.

Heidi stated that the city's number one issue was police retention. The city wants to reward the employees that stay. It is hard to keep officers at the city because surrounding communities often paid more, so the officers would start in Laurel, get trained and then leave. It is an expensive process to send officers to the Police Academy. The city has some really good employees, several who have anniversaries this month. The city wanted to encourage department continuity and provide a way to keep officers in Laurel. The previous STEP Program was great, but it was a negotiated item and did not work very well. A new step system was developed that is similar to those in Bozeman and Missoula. It is a fair system and addresses a lot of things. Addendum F provides a \$.05 increase for every year that an officer stays at the City of Laurel. Language for a Field Training Officer was

added into the contract. When a new officer or a new dispatcher is hired, there is a training process and another officer is asked to train them for 12 weeks, and they deserve to get paid for that time. Heidi now understands what the Detective does and why he should deserve some extra pay. Addendum B on page 29 of the contract show the 1½ percent monetary raise increases for the next three years.

Heidi recommended that the interest based bargaining method be used again in the future.

Detective Wells echoed what Ms. Jensen said. He is currently the President of 303, which is the police and dispatch union, and said that this process was by far the best negotiation process the union has ever had. They understood the city's side and the city also understood the union's side, which makes for a good contract. He thinks they accomplished a lot of things in the contract. They would like to have more money, but the council would like to have more money to spend, too. They understand that is a burden on the citizens of Laurel. Detective Wells stated appreciation for the work that went into the contract, asked for the council's support of the contract and thanked the council for doing their jobs.

Tom commented that, in his view, the police department and officers are underpaid and will probably always be underpaid. He stated that the council would like to see them paid more, if more money were available to offer it. He hopes they know that the city appreciates what they went through in this negotiation and thanked them for what they do.

- Resolution – Lease with the Laurel Chamber of Commerce

Heidi stated that the Chamber representatives pointed out a couple errors in the contract, which will be corrected prior to the council meeting next Tuesday. The lease is similar to the one used for the American Legion. The Chamber cannot get a liquor liability insurance for the year since they only have three events per year, so they will need to get a special event permit. Alcohol usage is signed off by the police department for special events. Since Heidi does not negotiate the annual lease fee, she asked the Chamber representative to speak to the council about that.

Christy Williams, 707 Elm Avenue, represented the Chamber as the Chamber President. The Chamber Board met recently and agreed to offer \$100/year for the five-year lease, which is the same fee as the Jaycees pay. The Chamber of Commerce is a non-profit organization that provides the Visitors' Center for Laurel and provides services for the businesses within Laurel.

Heidi stated that, as stipulated in her contract, she sits on the Chamber of Commerce Board for the terms allowed. The Chamber of Commerce has gone through a rough financial time and had a large insurance payout in the last two fiscal years, which heavily burdened their small budget. The executive director is grossly underpaid for her position. Heidi attested that the Chamber currently has a significant financial burden.

Christy mentioned that the executive director plans to retire in the next two years, so a replacement will have to be hired so they have a smooth transition.

Emelie asked if the Jaycees' lease expired or is a current lease.

The Jaycees' lease has expired.

Bruce stated that he is glad that the Chamber will finally have a lease and he does not mind the \$100/year fee. The Jaycees and Chamber do good work for the community and the city's buildings are not designed to support themselves from the lessees. They are designed to be of service to the public, and in order to continue that service, the Chamber needs the building and the city needs a lease agreement.

Doug likes to see the process moving forward and the leases being done one by one. Like Bruce said, the city does not plan on making a profit, so he is fine with the \$100/year fee.

Chuck stated his agreement with the \$100/year fee. The city needs a lease with the entities that use city's buildings, and he hopes the Chamber will be able to profit as long as they have a place to have people come in and see what the city and the area have to offer. He agreed that the monetary issue is not the major issue.

Emelie questioned if the American Legion Baseball is considered to be a non-profit organization and the amount of the lease.

Heidi was not sure if it is a non-profit organization. The lease payment was a graduated amount of \$750 each year for years one and two, \$900 each year for years three, four, and five.

Emelie asked if the city expects to enter into new negotiations when the American Legion hears that \$100/year is acceptable for this non-profit organization.

Heidi stated that it would be up to the council to enter into that negotiation.

Doug responded that the Chamber leases a small building as opposed to about half of the park for the American Legion. Based on square footage, the Legion got a really great deal. He understands the concern, but thinks this is one small log cabin compared to about half a city park.

Chuck stated that each lease needs to be reviewed individually as to what the lessees are doing and not just put the same dollar amount in every lease.

- Resolution – Franchise Agreement with USA Communications

Heidi stated that USA Communications wants to extend its fiber lines and service area within the City of Laurel. Franchise agreements are negotiated with the city attorney. The civil city attorney prepared the attached contract and it was signed by the company representative.

- Council Issues:

- Water tank on north side of Laurel (Richard Herr)

Richard stated that the water tank was discussed at last night's Public Works Committee meeting. He wanted to make a point that the city needs to move in that direction, even though it is financially impossible right now.

Mayor Mace mentioned that the city received notification of the award of a \$500,000 TSEP Grant for the pumping station off Eighth.

Heidi stated that the \$500,000 grant is for part of the sedimentation basin upgrade to address some of the pressure problems in Cherry Hills and Elena Subdivisions.

Tom suggested that the Budget/Finance Committee could look at the water tank from a financial aspect and then get information on projected costs.

Heidi stated that the project is far out into the future, the Water Fund does not have the funding to do it, and it will require a development to help pay for it. The item would remain on the Budget/Finance Committee's agenda for many years with no cost projection, because the city would not hire an engineering firm to put it together with no anticipated construction time. It would be redundant engineering fees to do it now and then do it later. Heidi stated that the public works director left a copy of the PER on the conference room table for the council to view. Staff is aware of the need and the pressure problems, but the project will not even be touched for quite some time.

- Boards, Commissions, Committees (Chuck Dickerson)

Chuck stated that Dan Clark, Local Government Center, met with the council in September to discuss procedures for the council. One discussion point was the consolidation regarding committees, boards and commissions. Since nothing has been discussed since that meeting, he thinks it should be addressed.

Chuck stated the following suggestions: Combining the Park Board, the Tree Board and the Cemetery Commission; Combining the Emergency Services Committee with the Emergency Disaster Coordinator, because the coordinator is also a member of the Emergency Services Committee; and combining the Public Works Committee with the ADA Coordinator, because the majority of the ADA work that needs to be addressed is involved in Public Works. Chuck stated that the Laurel Airport Authority, Library Board, City-County Planning Board have no ordinance associated with them.

[Secretary's note: Appointments to the Laurel Airport Authority are made by the Mayor and confirmed by the city council per Resolution No. 1848; Library Board is addressed in LMC 2.80; City-County Planning Board is addressed in LMC 2.72]

Chuck went on to question whether the Budget/Finance Committee should be a board instead of a committee, which would require an ordinance.

Bruce suggested tackling one idea at a time, instead of forming another committee to organize this.

Tom would like to see some options to consolidate. He thinks that combining the cemetery, tree and parks is a good fit and none of the boards have enough business to keep them segregated right now. Tom and Bruce serve on the Health Insurance Committee, which is difficult because the committee meets during the day. He would like more discussion in the future.

- Update on 2011 Yellowstone River flooding event

Heidi had a conference call with FEMA today. The city is waiting for the McCoys to sign and return the easement language. A surveyor has been finishing the last part of the survey so the city can then file it and pay for their easement. CHS hopes to meet within the next two weeks to finalize their easement language. CHS will not charge the city for the easement, but an easement document is needed. Heidi sent a letter to the Howrey's attorney last Friday. The city's attorney contacted Ms. Lund, their attorney, and they acknowledged receipt of the letter and do not seem to have a problem. They requested information specifying the exact location and size of the pump house building and

where the lines would be and the information was returned to them. Easements are coming along well.

Heidi received the final permit needed from the Army Corps and DEQ, so the city has all of the permits needed to put the temporary rock weir in the river for the winter. The last time the city needed to put in the temporary weir, the Army Corps would not give a temporary permit, which resulted in the city not being able to obtain funding from the Feds for that emergency work. Since the cost will be under \$80,000, the city does not have to go out for bid. Four reputable large contractors in the county have been asked to put a bid together. Bids will be opened on November 24<sup>th</sup> and the bids will be on the workshop that night and on the council agenda for approval on December 1<sup>st</sup>. Construction could begin within two weeks of that. Heidi hopes that the temporary weir will be constructed within the next month. The water is very low in the river, and the weir is definitely needed.

Heidi received a letter from the Department of Commerce on Friday. The City of Laurel is on the Coal Board's agenda for December 4<sup>th</sup> at 8:30 a.m. in Colstrip. Staff will attend the meeting to ask for the \$269,000. She understands that the Coal Board may not have \$269,000 left, but thinks it is prudent to ask. If more money is allocated to the Coal Board or when the next allocation comes in, the city could potentially get some funding.

Doug asked if he should speak about his letter to Governor Bullock at this point.

Heidi asked to talk with him about it after the council workshop.

Bruce thought the paper reported that the city missed the deadline for the Coal Board application.

Heidi explained that the deadline was missed by a day for the last Coal Board meeting, as there was a miscommunication between the engineering firm and staff as to who sent the Coal Board application in. The application was overnighted in hopes of getting leniency, but that did not occur. The city is on the December agenda.

Doug asked about the \$80,000 to put in the weir and how long it can be in.

Heidi said it will cost \$80,000 and probably be allowed less than a year, as it is temporary.

Doug stated that the weir will have to be removed.

Heidi agreed and said that it could end up being the same situation as last time when most of the rocks had been dislocated downstream and there was not much to retrieve.

- Lease Agreements

Heidi stated that the Jaycees lease will be reviewed next.

#### Other items

- Approval of SRF Loan for the water intake project

Heidi stated the need to move forward and accept the SRF Loan at \$1.7 million. The clerk/treasurer needs to fill out a new application so the general consensus of the council is needed to move forward. The city would like to pursue the SRF loan for \$1.7 million, not the full \$2.7 million. The city told

the State that it has \$1 million in reserves, which brought the amount down to \$1.7 million. Any money obtained through other sources, i.e., Coal Board, contingency funding, grants, or the 2017 Legislature, would go toward paying the full \$2.7 million back and putting the \$1 million back into reserves.

Tom questioned who would like us to pursue the loan.

Heidi stated that staff would like to pursue the \$1.7 million loan in order to lock in the low interest rate that Anna Miller (DNRC) suggested. Staff would like the funding secured before the city goes out to bid so the contractor can be paid. If the council is not in agreement with moving forward, she is not sure what to do because the city could not accept the other \$9.7 million if it could not pay for the 25 percent, since the State is not going to be able to cut a check for it.

Bruce asked if the council needed to discuss the loan application tonight, as a decision cannot be made at a workshop, or if it would be discussed at another meeting.

Heidi stated that staff would like to pursue the loan application. Staff needs a general consensus that the council is okay with pursuing the SRF loan at \$1.7 million and getting that application process started.

Bruce does not think there is a choice and does not like not having a choice, but he does not want to miss an opportunity. From the October 27<sup>th</sup> council workshop minutes, he understood that the council was encouraged to do so even if they feel like their arm is being twisted to do so because there are no other options. For that reason, he is okay with it because he has to be, but thinks the city is getting a raw deal.

Doug spoke regarding the letter he wrote to Governor Bullock last week. The letter has been refined and he has more to do. One of the statements Tom said last week is that Laurel's citizens have already paid for this once, and now the State is asking the citizens to pay for it a second time. If you divide the State's \$300 million reserve fund by the 1 million people in the State of Montana, it is about \$300 per person. Then multiply that by the 7,000 people in the City of Laurel and it is \$2.1 million. The city needs \$2.7 million and is paying \$1 million. He questioned if that is not what the city would be borrowing. Doug thinks the State has the city over a barrel and the city has no choice. The State will not even guarantee loan forgiveness. Doug is not sure he wants to approve the loan application. He is not even sure he wants to put the weir in for the \$80,000 and remove it for \$20,000. His letter questioned: "would this fund of \$300 million become magically available if we had to shut the water off to Cenex?" He thinks it would.

Heidi stated that having the permits for the weir means that the \$80,000 is reimbursable to the city. The city would be responsible for 25 percent.

Doug understood that, but still does not like the State telling the city to pay for something twice with no guarantee of debt forgiveness. The city will be paying the loan off, so one requirement of debt forgiveness would not be met. Doug does not like being held over a barrel and is not sure he would vote for it.

Tom thinks that the council has a choice, although it might be difficult. He suggested having a special council meeting and declaring an emergency. He does not see how he can support this after the people he represents have already paid taxes to the State, which has the responsibility for this.

Mayor Mace asked if the council wished to vote on it next week.

Doug said that it would be important to do so.

Heidi stated concern about not going forward with the loan, as staff and the engineering firm have no other options.

Doug questioned if the State has any other options because, as he stated in his letter, the city came up with 26 different options for the intake costing from \$100,000 to \$10 million. The State came here and presented one option to take a loan.

Heidi emphasized that not taking the loan could potentially forfeit a total of a \$12 million project. The city has the option to ask for loan forgiveness. Staff is exploring every avenue for contingency funding, grant funding, and any other type of loan funding. She does not see how the project can be halted, as the city is in a dire situation and the intake needs to be replaced.

Doug would accept a letter from the Governor that says he will guarantee loan forgiveness, as it would take care of the issue.

Heidi stated that, according to the Governor's advisor, he does not have the power to do that.

Doug said that they do not have the power to do that, but if there is a big wildfire and the State is over expended in the wildfire budget, they can get funding for that. The State has 2,000 convicts in the correctional system but only budgeted for 1,000. The State can get funding to pay for those convicts, but they cannot guarantee loan forgiveness for the City of Laurel.

Heidi thinks the city has the State's support to help get it taken care of and to try to get that legislation passed in 2017. Not going forward with the loan makes her very nervous.

Doug said he is thinking of all the options, but the State is not. The State turned back \$14 million in emergency funding to the Budget Office. Doug questioned why the Governor cannot ask for \$1.7 million back.

Heidi explained that Laurel is not eligible for the funding, as the Governor's Office has an Attorney General's opinion that this is a different biennium and too much time has lapsed on that emergency for him to be able to give emergency funding.

Doug thinks it is a bunch of baloney because Laurel is still dealing with an event that happened in 2011. The State might say it is a different legislative session. Doug suggested that the city declare an emergency for emergency funding. One way to do that would be not to put the weir in and not spend \$80,000, even if the city would get reimbursed for it. He suggested that, next time the guys are walking on top of the intake, tell the State that the city will shut Cenex off in a week and then see what happens at the State.

Heidi strongly cautioned about playing the Cenex card.

Doug would like to send his letter to the Governor and request a reply before the council votes next Tuesday.

Bruce stated the need to step back from the emotional situation. He stated that there are situations in which there is no clear, defined choice, but a choice has to be made. As he represents the citizens in his ward and is quite willing to go to bat and fight for them if he can win the fight, he is not willing to put people in compromising situations where water might be short, industry might be curtailed, or other things might take place just because the option he has is not the best option or the option he wanted. He would much rather err on the side of caution for the citizens and support doing something he did not like in order to keep water flowing.

Tom stated that it has been said that city governments move at a slower pace than the private sector because they are spending people's tax money. He would like to see more information at the next workshop, specifically the DNRC information on the loan and the repayment schedule.

Heidi stated that the information is in the council's boxes.

Tom would like more information, as he does not like being asked to make a decision right now about quite a bit of money.

Heidi stated that there is a time problem, as the interest rate needs to be locked in and the city cannot go to bid without the loan. The city is ready to go as soon as the final easements have been obtained.

Bill asked about the deadline to lock in the interest rate.

Heidi thought Anna said that the deadline is before the end of the year. The city has to apply for the loan and get it secured, so time is of the essence.

Richard agreed that time is of the essence but he does not like things being jammed down his throat.

Chuck spoke regarding Doug's letter to Governor Bullock, which he thinks needs to be signed and mailed as soon as possible.

Mayor Mace stated that the council is welcome to write a letter. He stated that the issue would be on the next council agenda for a vote. He encouraged the council to explore what would happen if it fails and the timing to get back on track.

Doug asked Heidi to discuss his draft letter after the meeting.

Chuck stated that everything needs to be taken into consideration. He said one thing that came out of this meeting is that none of the council members are happy about the decision they are being forced to make. The only thing the State has done is offered a low interest rate on a loan for which none of the council members want to apply. He thinks the CAO has done a good job of explaining the situation of what lies before the city, and the council already knows what lies behind since 2011.

Richard agreed and suggested posting the letter in the newspapers in Laurel, Billings, Missoula, Helena and Kalispell.

Bruce asked if there was enough time to postpone another week, if the loan becomes the viable option that the council chooses.

Heidi said that was her concern, as Wednesday is a holiday and staff is not at work. She will talk with the clerk/treasurer, will call the Governor's Office, and will report back to the council next Tuesday.

Bruce asked about calling a special council meeting if needed in order to resolve this.

Heidi stated that she will work on this between now and next Tuesday.

Bruce stated that he cannot attend the council meeting next week, but this is important city business that needs to be resolved.

Tom will be gone next week, but would drive back if this was on the agenda Tuesday. He thinks there has not been enough discussion yet regarding borrowing a massive amount of money.

- Close out SID No. 117

Heidi stated that the Intercap loan for SID No. 117, the SID for sidewalks on 8<sup>th</sup> Street and Pennsylvania, will be closed at \$169,000 on November 20<sup>th</sup>. Assessments have been placed on the tax bills.

- Update on the light pole at the Legion field

Heidi mentioned that the American Legion had another light pole fail at the baseball field. Earlier this summer, there was an issue with a light pole and questions regarding responsibility and ownership. The American Legion asked the city to pay for it a second time, but Heidi told them no and that the city was generous the first time and absorbed the cost to take down that light pole. The city has no financial interest in the light poles and does not own or maintain them. The light poles are on land that is exclusively leased by a private entity. The city would remove the light pole should the lessee not do so, since it had become unsafe in nature, and then bill the American Legion for it. The lessee did agree to remove the light pole. The city supplied snow fence in Thomson Park until the light pole could be removed, as it required a crane. The light pole came down at the expense of the American Legion. A stamped and approved set of plans will be required prior to anything being erected back in the park.

- Park Board recommendation

Chuck stated that, at the November 5<sup>th</sup> meeting, the Park Board recommended to the council that a small business proposal be drawn up by Public Works Director to be presented to the Budget/Finance Committee from Big Sky Steel for demo and cleanup at Riverside Park in the amount of \$5,300. The public works director was going to check if permits are required for work to be completed. The cleanup is for all the metal in the park to be removed and salvaged so it can be leveled out. Because it is in a floodplain, certain permits are needed. Big Sky Steel wanted to get the work done by the end of November, but that might not be possible. Heidi will provide Chuck with information regarding permits and time constraints to present to the Park Board. The issue might be postponed and brought back to the council next spring.

Heidi stated that it could be an interesting discussion that the \$250,000 the city received from Exxon for the park has sat in a restricted fund. To unrestrict some of the money to use that for this would need a greater discussion of how the city wants to use the money or not use the money. Staff fears that, if the money is used for a bunch of little projects, the money will be gone without any big projects being done.

Chuck read from the Park Board minutes: "Gretchen will contact Shirley Ewan and request an item be added to the Budget & Finance Committee November 17 meeting. We are requesting funding for removing scrap metal in Riverside Park be made available from the Capital Projects funds of \$250,922.04, page 184 of budget. It was our understanding these funds are to be used specifically in Riverside Park."

Chuck said that the Park Board needs to know the restrictions and restraints.

Bruce asked if there were plans to discuss the failed safety mill levy at a future council workshop. He received an interesting email from Jean Kerr today. It might be in the council and city's interest to discuss whether or not to recall the election because of the misunderstanding and miscommunication that took place.

Mayor Mace said he read the email. The council can discuss it, but it was clear that the city would have to pay for it.

Bruce said that, if the consensus is that the city does not want to do so, there is no worry about the time constraints of recalling it. He thinks that discussion is needed.

There was further discussion regarding the wide gap in the vote, a possible option to revisit the safety mill levy for the May election, and the \$7,000 cost to put an issue on the ballot.

#### Review of draft council agenda for November 17, 2015

- Presentation by USA Communications

Heidi stated that USA Communications was not able to attend tonight. They will give a presentation on the services they would like to offer with their franchise agreement to City of Laurel as a whole.

#### Attendance at the November 17, 2015 council meeting

Bruce and Tom will be unable to attend.

#### Announcements

Emelie asked if the railroad had contacted the city about the length of time the detour will be in place at the 5<sup>th</sup> Avenue crossing.

Heidi said that railroad representatives informed the city about closing the crossing last Friday about 2:30 p.m., which was not even a full business day. The crossing will be closed for five working days.

Emelie asked if the Mayor would announce the Veterans' Day activities.

Mayor Mace stated that the rededication ceremony of the Purple Heart Memorial will be at 2:00 p.m. on the Yellowstone County Courthouse lawn. The Veterans' Day Ceremony will be held at Rimrock Auto Arena starting at 10:30 a.m.

Recognition of Employees

• John Volmer	30 years of service on November 29 <sup>th</sup>	WTP
• Geralyn Stevens	25 years of service on November 19 <sup>th</sup>	Library
• Mark Guy	21 years of service on November 12 <sup>th</sup>	Police Sergeant
• Neva Hall	21 years of service on November 14 <sup>th</sup>	Accounts Payable
• Susan Canape	20 years of service on November 10 <sup>th</sup>	Police Dispatch
• Travis Pitts	19 years of service on November 13 <sup>th</sup>	Police Officer
• Jay Hatton	17 years of service on November 4 <sup>th</sup>	City Shop
• Monica Salo	14 years of service on November 2 <sup>nd</sup>	City Court
• Jessica McCartney	8 years of service on November 1 <sup>st</sup>	Police Dispatch
• Roy Voss	6 years of service on November 9 <sup>th</sup>	City Shop
• Jason Shovar	3 years of service on November 13 <sup>th</sup>	City Shop
• Mike Mudd	2 years of service on November 18 <sup>th</sup>	City Shop
• Dylan Ceaser	2 years of service on November 18 <sup>th</sup>	WTP
• Brandon Corey	1 year of service on November 12 <sup>th</sup>	WWTP
• Justin Bickford	1 year of service on November 5 <sup>th</sup>	Police Officer

Mayor Mace recognized the employees listed for their service to the City of Laurel.

The council workshop adjourned at 7:48 p.m.

Respectfully submitted,



Cindy Allen  
Council Secretary

**NOTE: This meeting is open to the public. This meeting is for information and discussion of the Council for the listed workshop agenda items.**