

MINUTES OF THE CITY COUNCIL OF LAUREL

August 15, 2017

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 Mark Mace at 6:31 p.m. on August 15, 2017.

COUNCIL MEMBERS PRESENT: Emelie Eaton Doug Poehls
 Bruce McGee Richard Herr
 Chuck Dickerson Bill Mountsier

COUNCIL MEMBERS ABSENT: Tom Nelson Scot Stokes

OTHER STAFF PRESENT: Bethany Keeler, Clerk/Treasurer

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

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

MINUTES:

Motion by Council Member Poehls to approve the minutes of the regular meeting of August 1, 2017, 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:

Laurel Chamber of Commerce: Minutes of July 13, 2017; Agenda for August 10, 2017

Beartooth Grill: Letter of August 8, 2017 regarding A-frame signs in front of building.

COUNCIL DISCLOSURE OF EX PARTE COMMUNICATIONS: None.

PUBLIC HEARING:

- **Final levy of special assessments for maintenance costs in SID No. 114.**

Mayor Mace stated this is the time and place set for the public hearing on the City of Laurel's final levy of special assessments for maintenance costs in SID No. 114.

Mayor Mace opened the public hearing and asked Staff to present the item prior to hearing the public comments.

Bethany Keeler, Clerk/Treasurer, stated that the assessment is for park maintenance costs in the Elena Subdivision. The assessment is \$5,000, as it has been the last three years.

Mayor Mace opened the floor for public comment and stated that copies of the rules governing the public hearing were posted in the council chambers.

Mayor Mace asked three times if there were any proponents. There were none.

Mayor Mace asked three times if there were any opponents. There were none.

Mayor Mace closed public hearing.

CONSENT ITEMS:

- **Claims for the month of August 2017 in the amount of \$262,065.95.**
A complete listing of the claims and their amounts is on file in the Clerk/Treasurer's Office.



- **Clerk/Treasurer Financial Statements for the month of July 2017.**
- **Approval of Payroll Register for PPE 7/30/2017 totaling \$203,791.42.**
- **Receiving the Committee/Board/Commission Reports into the Record.**

--Budget/Finance Committee minutes of August 1, 2017 were presented.

--Emergency Services Committee minutes of July 24, 2017 were presented.

--Council Workshop minutes of August 8, 2017 were presented.

Mayor Mace asked if there was any separation of consent items.

Council Member Eaton removed the Budget/Finance Committee minutes of August 1, 2017, to the council agenda of September 5, 2017.

Motion by Council Member Eaton to approve the consent items, minus the Budget/Finance Committee minutes of August 1, 2017, seconded by Council Member Poehls. 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.**

Mayor Mace appointed Samantha Barnhart to the Library Board for a five-year term ending June 2022.

Motion by Council Member McGee to approve the Mayor's appointment of Samantha Barnhart to the Library Board, 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.

- **Resolution No. R17-42: Resolution relating to Special Improvement District No. 114; Final levy of special assessments for maintenance costs on property within the District for the purpose of paying the costs of maintaining certain local improvements.**

Motion by Council Member Dickerson to approve Resolution No. R17-42, seconded by Council Member Mountsier. 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. R17-43: A resolution authorizing the Mayor to sign an agreement between the City of Laurel and the Drug Enforcement Administration "DEA" assigning a Laurel Police Officer to the Tactical Division Squad Task Force.**

Motion by Council Member Herr to approve Resolution No. R17-43, seconded by Council Member Mountsier. 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. R17-44: Resolution relating to \$195,000 Special Improvement District No. 118 Bond, Series 2017; Fixing the form and details and providing for the execution and delivery thereof and security therefor.**

Motion by Council Member Mountsier to approve Resolution No. R17-44, 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. R17-45: A resolution accepting the bid from COP Construction and authorizing the Mayor to sign all related documents for the Water Treatment Plant Improvement Project for the Sedimentation Basins.**

Motion by Council Member Dickerson to approve Resolution No. R17-45, seconded by Council Member Poehls. There was no public comment.

Council Member Herr requested a roll call vote to be taken for this resolution.

Council Member Poehls questioned which bid, original or value engineered, was used to write the resolution. He stated that, even though he seconded this motion, he is still opposed to this resolution. He does not want this City to go bankrupt. While he does not want to see an infrastructure or a financial catastrophic event occur, he would like to prevent such an event. He requested that the council look at this project in a year.

Council Member Dickerson also questioned which bid was included in the resolution.

Mayor Mace requested the Clerk/Treasurer to answer both council members.

Bethany stated that, from her understanding, the council was voting to approve the original bid.

Council Member Poehls understands that the council could not approve a future resolution for the same dollar amount. However, if the cost changes, it would not be the same resolution. He reiterated that this topic needs to be placed on the back burner and looked at further.

Council Member Eaton agreed with Council Member Poehls. She stated that the City is facing a difficult financial time and should not enter into any size of debt at this time. She does not approve of either the original bid or the value engineered bid.

Council Member McGee stated that he read the staff memo regarding the SED basins. He questioned if staff was overstating the fact that this project would bankrupt the City, as he does not feel that would happen. He agreed that the SED basins have been in horrible condition for some time. He questioned if the demand of the City's residents would force the City to move forward on this project. He is not in favor of spending down the reserves and financing this project. However, pushing this project off to a later date will not improve the current condition or the future cost.

Council Member Poehls stated that this project most likely would not bankrupt the City. The Water and Sewer Funds are enterprise funds and must be run like a business. For example, if the fund is indebted to the point where a water main break occurs and the cost of repairs puts the fund in a debtor situation, the City would not be able to fix the break because of a lack of funds. He clarified that more accurately this would bankrupt the fund. Because the Water Fund is an enterprise fund and is run like a business, it cannot show negative figures.

Council Member Dickerson stated that the City would not be able to obtain a loan to fix said water main break. He questioned what would happen if, in the event of a water main break, the City did not have reserves available nor the capacity to obtain a loan.

Mayor Mace asked the Clerk/Treasurer to clarify.

Bethany stated that, if the City moves forward with the SED basin project, it will not put the City in bankruptcy. However, if a mildly catastrophic event occurred, the City would not be able to obtain a loan to fix the issue. She also agreed that the cost of this project will not reduce in the future. She stated that the City may have to return the \$1.8 million to CHS.

Council Member Mountsier questioned whether CHS was going to take the funds back or whether the City would give it back.

Bethany stated that the agreement with CHS for \$1.8 million will sunset in three weeks. CHS could choose to extend this agreement or require the City to return the funds.

Council Member McGee questioned what course of action the City will have if the Council does not approve this resolution and there is a catastrophic failure of the SED basins. The City does not have enough reserve funds to address a catastrophic failure of the SED basins.

Bethany responded that Council Member McGee is correct.

Council Member McGee stated that, in his opinion, the SED basins need to be repaired.

Council Member Herr agreed that the SED basins are in need of repair, but he feels that the City could explore more cost effective options, such as hydro concrete or a stainless steel tank.

Council Member McGee retorted that the council should do its own engineering then. He expanded his statement by stating he does not believe the City staff would bring a project to the Council that had not explored more cost effective options first. He thinks the City would make a grave mistake to decide how the SED basins should be fixed and what they should cost. He is not willing to go down that path.

A roll call vote was taken on the motion to approve Resolution No. R17-45. Council Member McGee voted aye. Council Members Poehls, Herr, Mountsier, Dickerson and Eaton voted nay. Motion failed 1-5.

ITEMS REMOVED FROM THE CONSENT AGENDA:

The Budget/Finance Committee minutes of August 1, 2017 were removed from the Consent Agenda and moved to the September 5, 2017 Council Agenda.

COMMUNITY ANNOUNCEMENTS (ONE-MINUTE LIMIT): None.

COUNCIL DISCUSSION:

Council Member Poehls thanked the council for being able to have heated discussions and then shake hands at the end of the night.

Council Member Herr thanked the members who were able to attend the Riverside Park meeting. The meeting was well attended by residents.

Council Member Mountsier noticed a new curb being put in near the Railside Dinner and Mel's Auto. He stated that a newly-planted tree is impeding visibility for drivers. Mayor Mace will work with the Public Works Department and report back.

Council Member Dickerson stated that the City gets \$15,000 a year from Exxon for the pipe that runs through Riverside Park. The Park Board would like to have the \$15,000 go to Riverside Park instead of the General Fund. He asked to add the item to the August 29th workshop agenda.

Council Member Dickerson reminded the council that there is no meeting next Tuesday, August 22nd.

Council Member Eaton mentioned that the deadline is fast approaching for the Preliminary Budget. The Budget/Finance Committee is requesting that the Council bring any questions and comments to the next workshop meeting on August 29th.

UNSCHEDULED MATTERS: None.

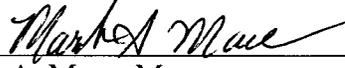
ADJOURNMENT:

Motion by Council Member Eaton to adjourn the council meeting, seconded by Council Member Poehls. 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 7:01 p.m.

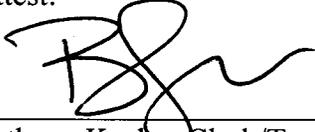

Brittney Moorman, Administrative Assistant

Approved by the Mayor and passed by the City Council of the City of Laurel, Montana, this 5th day of September, 2017.



Mark A. Mace, Mayor

Attest:



Bethany Keeler, Clerk/Treasurer