

**MINUTES  
COUNCIL WORKSHOP  
JUNE 13, 2017 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 June 13, 2017.

**COUNCIL MEMBERS PRESENT:**

<u>  </u> <u>  </u> Emelie Eaton	<u>  </u> <u>  </u> Doug Poehls
<u>  </u> <u>  </u> Bruce McGee	<u>  </u> <u>  </u> Richard Herr
<u>  </u> <u>  </u> Chuck Dickerson	<u>  </u> <u>  </u> Scot Stokes
<u>  </u> <u>  </u> Tom Nelson	<u>  </u> <u>  </u> Bill Mountsier

**OTHERS PRESENT:**

Sam Painter, City Civil Attorney	Heidi Jensen, CAO
Bethany Keeler, Clerk/Treasurer	Noel Eaton, City Planner
Kara Hergenrider, Interim Ambulance Director	Brent Peters, Fire Chief

**Public Input (three-minute limit)**

There was no public input.

**General items**

- Appointments/Reappointments to boards and commissions
  - Laurel Volunteer Ambulance Service: Appoint Morgan Ecklund, Patricia Kunkel, Elliott Grayson and Kelsey Manger

Kara Hergenrider, Interim Ambulance Director, announced four appointees for the Laurel Volunteer Ambulance Service. They are Morgan Ecklund, Patricia Kunkel, Elliott Grayson and Kelsey Manger. Elliott Grayson and Patricia Kunkel were present.

- Discussion regarding Laurel Airport Authority appointment

John Smith, 600 Roundhouse Drive in Laurel, thought the Mayor made committee appointments and the city council either approved or rejected.

Mayor Mace explained that there are three applicants for the Airport Authority appointment, and the council is going to decide which of those applicants will fill the position.

John Smith believes the Airport Authority needs people that know about contracts. Current Airport Authority members include Brock Williams, who Dr. Smith describes as an expert on computers; Shane Lindsey, a contractor who deals with fiber optics and similar products; and Randy Hand, an electrician from Billings. The open seat is due to the resignation of Kyle Albers. Dr. Smith would appoint Doug Myers to fill the open position, as he fills the same bill. The only

difference with him is that he only owns an airplane. Mr. Smith knows Will Metz, who owns three big hangers and rents hanger space to a lot of people at the Laurel Airport. Dr. Smith acknowledged a history between Mr. Metz and himself.

Mayor Mace verified council members had all applicant information received by the city.

John Smith thought the appointment was being made at a later date and felt unprepared.

Mayor Mace explained that the appointment will be voted on next week at the June 20<sup>th</sup> council meeting.

John Smith introduced Randy Hand.

Randy Hand, 12235 Peaceful Plateau Trail in Shepard, is the current secretary of the Airport Authority. Of the three people that have applications, he is personally acquainted with two, Doug Myers and Will Metz. He does not know the third applicant and has no opinion one way or the other about him. He confirms that when Will has attended the board meetings it gets animated, and not always pleasantly so. Mr. Hand does not think it would be conducive for the work of the Airport Authority to appoint Mr. Metz.

Stephanie Potter, 5775 Chief Brave Wolf Trail in Laurel, co-owns Northern Skies Aviation with her husband. It is the FBO that is located at the Laurel Airport. She explained that FBOs are usually fuel operators and maintenance, and they also have a flight school for airplanes and helicopters and an on-demand charter company. Northern Skies Aviation has been there for 23 years and is still there. Through those 23 years, only one person has been related to a lot of aggravation, and that is Will Metz. Ms. Potter is concerned, as the one major operator at the Laurel Airport, and because they have had such an adversarial relationship. She does not think that appointing Mr. Metz to the Airport Authority would be in the best interest of the airport. She does not know him personally, but she knows that Mr. Metz does not represent the airport well, and there is a lot of aggression when he is involved. Northern Skies Aviation bought a fuel system from him, which created less stress because the Potters now see Mr. Metz less frequently, but there have been numerous encounters over the years. Doug Myers is not well known to Ms. Potter, but Doug did learn to fly at the Northern Skies Aviation Flight School. Ms. Potter believes Mr. Myers seems to be a very intelligent man who she thinks would do a good job representing the airport with neutrality. Ms. Potter does not know the third applicant.

Frank Felke, 9525 Laurel Airport Road, has been at the Laurel Airport since 1985. Mr. Felke knows Doug Myers and Will Metz, but he does not know the third applicant. Mr. Felke does not know why a man who has previously sued the Airport Authority would be considered as a potential appointee. Mr. Felke considers him a rabble rouser, and states that he would cause more problems than he would ever help.

Mayor Mace asked if there were any questions.

Chuck asked Mr. Felke to specify which of the two men he was referring to.

Frank Felke answered that he was talking about Will Metz.

Chuck thanked Mr. Felke for making that clear for the record.

Executive Review:

- Resolution - Change Laurel City Council meeting on July 4, 2017, to July 5, 2017  
Heidi presented a resolution to change the City Council meeting from July 4<sup>th</sup> to July 5<sup>th</sup>, 2017.

- Resolution - Intent to create SID No. 118  
Heidi introduced a resolution of intent to create SID No. 118, and referred to City Planner, Noel Eaton for more information.

Noel explained how there had been an attempt to create SID No. 118 using a petition process that required 100 percent of the property owners' signatures. That proved to be more difficult than anticipated. This resolution of intent to create the district would allow the city to move forward with advertising to alert the property owners. There will be a public hearing on July 18<sup>th</sup> for the SID. The SID includes 35 parcels, 30 of which are developed, and 17 property owners in the district, and it is located on South Washington Avenue, between East Railroad Street and Southeast 4<sup>th</sup> Street.

Tom asked Noel when the 30-day period starts.

Noel answered that it is a 15-day period, as confirmed by Tricia with Dorsey & Whitney. Since the 15 days includes the July 4<sup>th</sup> holiday, two additional days are required. The protest period should end on Sunday, July 9<sup>th</sup>, but will officially end on Monday, July 10<sup>th</sup>. SID No. 118 will be on the July 11<sup>th</sup> council workshop, with a public hearing at the regular council meeting on July 18<sup>th</sup>.

Doug asked if this project will be done at the same time as the street widening project on Southeast 4<sup>th</sup> Street.

Noel answered yes. The projects were bid together so the city got a lower bid. The bid was broken into three phases. The first phased is the Southeast 4<sup>th</sup> Street project, the second is the street overlay and surfacing itself, and the third phase is the sidewalks and approaches on three of the parcels that are developed already.

- Resolution - Eagle's Façade Grant  
Heidi presented a resolution for the Eagle's façade grant and asked Noel Eaton to provide more information for the council.

Noel explained that the Eagles want to redo the entire façade on the front of the building. The Eagles have been working with Noel for the last six months trying to get the funds together for this project. The Laurel Urban Renewal Agency has recommend a 1:1 match of up to \$13,450. Bids include a \$22,500 bid from Rudy Groshelle and a \$26,900 bid from J&J Construction. LURA's \$13,450 grant would be half the \$26,900 bid. Noel recently talked to the contractors and thinks the cost could be around \$20,000. The 1:1 match would not be exceeded, but it was

still recommended up to \$13,450.

Emelie asked why the Eagles did not pick the lower bid.

Noel said they had not selected a bid when it was presented to LURA. A new contractor suggested a bid of about \$20,000. Noel thinks the Eagles are just trying to get one of the lowest bids available.

Bruce wanted to clarify that this is a 1:1 match up to \$13,450 max, but if it was \$20,000, it would be a 1:1 match with only \$10,000 spent.

Noel confirmed that the grand would not go over the 1:1 match.

Bruce asked if it is a grant for a full 50% of the cost for the façade improvements.

Noel said that was correct.

Heidi explained that the TIF District does not usually recommend awarding these grants over the \$5,000 cap they can approve. Considering the condition of the building, what the Eagles organization stands for, and the work the Eagles have been trying to do on their own but have not been able to completely fund, LURA did not question asking the council for more than \$5,000. Since LURA felt that repairing this façade was a worthy project and would contribute to the beautification of Main Street, LURA did not hesitate to recommend the \$13,000. Council Member Herr and Council Vice President Nelson were at that meeting.

- Resolution - Adopt the Management Budget for 2017-2018

Heidi introduced a resolution to adopt the Management Budget for 2017-2018. She directed the council's attention to Clerk/Treasurer Bethany Keeler.

At this time, Mayor Mace invited the citizens who spoke about the Airport Authority appointment to leave.

John Smith invited the council members to go up to the airport to see what they have going on.

Bethany stated that the budget is pretty stable, as not a whole lot changed. The big changes are in the Emergency Disaster Fund because FEMA is now done reimbursing money except for the \$2 million that is still due for the water intake project.

Heidi spoke regarding the timeframe for reimbursement and explained that the 20% contingency is held until full closeout of the project. For the bank stabilization on the south side, the city did not receive the 20 percent until the audit had been completed. That could be up to a full year, depending on when the closeout of the project happens and how quickly the State DES does it. Heidi anticipates the closeout to be much more extensive than the last one.

Bethany said that the TIF District has a big chunk of money to do some capital projects. LURA increased the Large Grant Program this year, so that was in that fund. Parking, Light Districts

No. 2 and No. 3, Street Maintenance, the Elena Park Maintenance District, the pool, Expendable Grants, Emergency Funds, Transit Grant, Sidewalk Program, Solid Waste and Cemetery Funds stayed the same.

Gas Tax was reduced by \$1,453. The Final Budget will include the new Gas Tax Fund. House Bill 473 is the new Gas Tax, but it acts like a grant. Cities must submit a proposal that includes a 5% match from either street maintenance or the general fund, and Gas Tax dollars cannot be used for it. The money would be given out, and then another report would have to be submitted showing how the money was used. It is not in the Management Budget.

The legislature did not approve the Library Aid Grant. Library revenues and expenditures are zero. Nancy told Bethany that it is possible the library can come up with some money, and if they do, it will be added to the Final Budget.

Emelie asked if the library would receive money from a memorial fund.

Bethany said no. This was a grant the library has received every year, but the Legislature cut it this year.

Crime Victims Fund is still in the budget, and Bethany does not know what the city will do with the money.

Heidi explained an audit finding that the Crime Victims Fund money either had to be spent this year or returned to the state. The Budget/Finance Committee discussed this multiple times and with the judge, but a final determination will need to be made by the council as to whether the city returns the money or not. It was expressly recommended to return it to the state since the judge had not started a program in over six years.

Bethany said the debt service funds will change a little bit. SID Nos. 111 and 112 were paid off, so they are no longer in the budget. SID No. 118 will be in the Final Budget.

Capital projects are as follows: City Hall wants to purchase a new city vehicle, the Police Department wants a copier and digital controls, the Fire Department wants a simulator for training, Ambulance wants a medical vault for their narcotics, cemetery wants a shed to store its 4-wheeler in, the Court wants a copy machine, and the Library wants some updates to their building.

The Water Fund has changed because the intake project is done. The SED Basin project is going to roll this year.

Doug asked what the SED basin project does to any reserves the city has in the water department.

Bethany said there will be absolutely nothing left.

Doug asked if the city has any contingency in the water department if something happens.

Bethany confirmed that there will be no contingency, which she expressed to the Senate when at the Legislature in Helena.

The Sewer Fund has stayed the same. The capital budget includes getting a new digester and replacing some sewer lines and the sludge press as requested. Major changes were in wages. The non-union employees are requesting a 2% increase with their \$500 flex money, and the Public Works Union is currently getting ready to enter negotiations. The Police Union got their raises according to their contract, which was \$0.40 for officers and \$0.20 cents for dispatchers, plus their increase for retention.

Emelie asked if there was anything in reserve.

Bethany said there is currently 3% in reserve, but the city just received the second half of property taxes, which has not yet been posted. Once that gets posted, the reserve will increase.

Doug asked what the projected reserves are for this budget.

Bethany did not know but will get the figure to Doug.

Heidi said it is generally between 18-20%, but the Department of Revenue does not get those numbers to the city until August, which is when they go into the Final Budget. The staff knows the Management Budget is strictly to keep projects going, not to spend out of control.

Doug would like to know that figure when it is available.

Heidi stated it can change depending on how the Legislature allocates funding. In a good year, the city could anticipate about 1.5% increase to the total budget, but with the way the Legislature went, that is unknown. Heidi would guess about 1%, but the final figures will be known in August.

- Resolution - Fire District contract with Yellowstone Boys and Girls Ranch
- Resolution - Fire District contract with Laurel Airport Authority

Heidi introduced Chief Peters to answer questions regarding the fire district contract.

Brent stated that the Fire Department may have to increase the contract with the Laurel Airport Authority if the overload of aircraft is going to be stationed there permanently.

Doug said it is his understanding that this is just a temporary exercise, as he heard that the Airport Authority had not come to any agreement with the Air Guard.

Brent verified that the Yellowstone Boys and Girls Ranch mailed back their contract. There had been a question because they formed a special water and sewer district, and the YBGR staff wondered if that might change the contract. There is no change to the contract, and they are still responsible for all maintenance of the water systems for the Laurel Volunteer Fire Department to fight fires at the YBGR campus.

- Resolution - Contract with Elk River Law Office, P.L.L.P.

Heidi discussed the resolution for a contract with Elk River Law Office for the city's prosecution services. The city prosecutor is Georgette Boggio. There are no changes to the contract from last year, so it will remain at \$55,000 for another year.

- Council Issues:

- Discussion - Laurel Rifle Club building liability issues (blocking access)

Mayor asked for discussion regarding the liability issue for the Laurel Rifle Club building and the possibility of blocking access.

Emelie knows that there was some discussion at the last meeting because she read the minutes. She asked if the city inquired as to the cost and what would be involved with demolition of this building.

Heidi has been waiting to find out what the council is interested in doing. What to do with these buildings has been a topic of discussion for the last six years. She will find out the cost to remove the building. This would remove the historical significance of some of the windows that have engraving from the members that were interned there, but the memorabilia would be saved. Having the city do the demolition of the other buildings down there was a large cost-saver to the city.

Mayor Mace stated that one thing he took from Alan Hulse's presentation was the amount of work that would have to be done to the surrounding areas, both outside and inside. The outside is a concern because of the lead bullets wasted out there in the ground and in the bank. The city cannot get away from the liability regardless of how much it does. His concern is when to start, because he does not think that it will get any better. The city may be held liable for all kinds of issues down there, not just shooting, and needs to get this straightened out

Doug asked if sealing the building would mitigate the issues.

Heidi explained that it keeps the public from going into the buildings. They have been instructed not to use the building for the last six years, but they have been using it. They are still teaching classes and holding club events with no bathrooms in an inadequate facility that has a mold problem and a roof that is in dire need of repair. Unless the building is blocked, which she cannot do without some direction, they will continue to use the building. About a year ago, they changed the locks and did not provide the city with a key to access a city building.

Tom stated that if "there is no lease, there is no use." He does not know why the locks have not been changed to prevent anybody from being in the building until the council decides what to do about the problem. Cleaning it up would probably be cost prohibitive. It upsets him to think about a building that has an expired lease with a club that is still using the building. He knows there are mold issues with the Rod & Gun Club's building. He would like to think that the council as a body would make a decision on these issues. As a body, it is the council's responsibility to make a decision before it causes irreplaceable damage to the city that should never occur.

Emelie thinks that the council has been negligent with accepting reports from Mr. Wilke as to how many students were trained at the Rod & Gun Club and/or the Rifle Club. The council should have questioned why the building was being used. The Park Board has been under pressure from the organizations to get a lease. Leases come back to the council, but nothing has happened because there are extenuating circumstances. She suggested that, if this had been brought to light and someone had said that the city has a problem negotiating a lease when the building is falling apart and is not healthy for the public to be there, action could have been taken sooner. Emelie stated that swift action needs to be taken, at least to block access, but more importantly to decide whether to rehab or demolish the buildings.

Doug agreed that the access to the buildings needs to be blocked. They have not had a lease for many years and do not have a current lease, and the clubs know that shooting in the park will sunset next year. He thinks that blocking access to the buildings needs to be done and then the city needs to consider the cost of remediation and/or demolition.

Bruce stated that he has repeatedly said "no lease, no use" to the council regarding leases. He wonders why the city is incapable of enforcing that. He stated that the classes that Council Member Eaton referred to have not occurred in that building but were held in the Jaycee hall. There have been other classes or uses by the shooting club that has access to the building. The special committee tried to resolve the lease issue, and there was a real stalemate. The clubs wanted the city to put a lot of money into it and the city wanted them to step up and take care of their building. The clubs have had a great deal on the use of that building for next to nothing in funds through the years. Bruce stated that the report about the lead contamination in that building is not as bad as he thought it was, so there is a possibility that the building could be cleaned up mitigated. Another concern is the years of accumulation of shot from the outdoor range that has piled up down there.

Bruce also spoke regarding the sun setting of shooting in the park. He knows that some people have hope that the council will reconsider the sunset clause, but he is not advocating for or against it. He stated that taking care of any hazardous contamination and freeing the city of any liability is a high priority for the council. He knows that some people in the community are very attached to those buildings and do not want them torn down. Other places have been able to take things like that and turn them into more tourist type uses. Also, citizens sometimes rise to the occasion, make their own repairs and come up with a viable solution for a problem.

Tom stated that the city council should be involved with the park and the master plan because there is no sense making decisions that are non-starters because of some legal issue regarding the buildings.

Mayor stated that he came prepared tonight to order those buildings blocked, and he wanted the council to understand why it would be that way. He will take the hit for doing so for as long as he is mayor and beyond.

Emelie asked for a report at the next council workshop regarding the preliminary results of what staff finds out about remediation and demolition of the buildings.



Heidi stated that she would do her best to provide that information.

Scot questioned if the same testing was done for the Rod & Gun Club.

Heidi responded that no lead testing has been done in that building. The claim was made on the Rifle Club for lead by some members of the public, and a staff member whose child was having shooting lessons in the club noticed the lead dust inside the building. Heidi made a claim with MMIA, who then conducted the lead study. A mold study of the Rod and Gun Club was conducted after the flood receded in 2011 and there was so much significant damage that the building has not been able to be used for the last six years. The building has no heat, no water, no drinking water, no toilets, and no sewer system. There was mold about three feet up the walls in the whole building. The building has not been tested for lead, but it is still unusable.

Scot said he is not as worried about the lead as the mold.

Heidi stated that the Jaycees have a current lease and the building is in good working order. There is only one aged member of the Horseshoe Club and the club is defunct, so there is no one to negotiate with and it is just an empty building.

Bruce asked if the Rod and Gun Club building has not been in use.

Heidi stated that people use it but she does not know exactly what they do in there. The last time she was down there showing someone from MMIA the condition of the building, there were people in the building. Now she has the direction to make sure all the buildings are closed.

Kathleen Gilluly, the *Laurel Outlook* reporter, interjected that the Horseshoe Club is active, as their results are published in the paper

Heidi asked who is in charge of the Horseshoe Club.

Kathleen was not sure but agreed to forward Heidi an email.

Heidi thanked her and stated that the only contact she has told her that there is no club and no one uses the building.

Richard stated that he recently noticed a camper camped overnight.

Heidi stated that the police department patrols the park multiple times a day.

Richard mentioned that he attended the meeting regarding the Yellowstone River Oil Spill Restoration Plan in Billings. They are adamant about getting the monies allocated and the projects working.

Heidi stated that Jerry Grebenc, from Great West Engineering, is preparing the parks use study so the city can utilize that money as quickly as possible.

- Update on 2011 Yellowstone River flooding event

Heidi stated that the last request has been submitted. Once the project is fully closed out, this discussion item will be removed from the council workshop agenda. The water intake is working and the contractor is completing the punch list items at this time for restoration.

- Other items

Tom asked for the city attorney's view of the chairman of the Airport Authority asking the council to go to the airport to look around prior to the decision regarding the appointment to that board.

Sam stated he was a bit concerned as the council is in the middle of a decision to be made next week. He does not know if Mr. Smith was talking about visiting about the potential appointees, which would be ex parte communication and the council should not do. The process has always been that people apply, they write the letter, they come to the council meeting, they have an opportunity to speak, and then the council votes. The council has never had outside discussion sessions about appointees. Looking at improvements or something similar would be one thing, but he suggested there should be no outside contact regarding the appointment. He cautioned the council regarding this issue.

Mayor Mace stated that he thought Dr. Smith was referring to the helicopters and tents that are at the airport, but the attorney's point is well taken.

- Review of draft council agenda for June 20, 2017

There were no changes.

- Attendance at the June 20, 2017 council meeting

All council members present will attend.

- Announcements

Bill commended Officer Sauter for writing tickets during the recent track meets. One vehicle was parked on the crosswalk, and Officer Sauter had enough sense to take a photo of it. Parking has been an ongoing problem since the stadium was built. People park on crosswalks, in front of fire hydrants, under stop signs, and wherever they want to park. If there is no enforcement, they will continue to do so.

Bill also commended Kurt Markegard for his work with the sight problem where 8<sup>th</sup> Street meets First Avenue. There is another problem there with an advertisement bench that sits on the south side of the intersection. When sitting in a car, a driver cannot see through the bench, but a truck or a SUV driver can see over it. Bill stated that he is appreciative of the time Kurt has taken to work on the problem.

Emelie stated that the Public Works Committee met last night. Things are going on in the city, and it was very informative to the fact that so many things are getting completed.

Emelie asked a question about the changes that will be made on South Washington Avenue. When coming out of Walmart, one must either turn right or left on South Washington Avenue for a brief stretch. The grass and the weeds by the ditch get tall and ugly and now they have been burned. It bothers her that people's impression of Laurel as they are leaving is this weed filled ditch with the tall grass growing around it. She understands that the ditch company is difficult to deal with as far as maintaining it, but she asked if the city could see if something could be done to maintain the area better. Emelie asked if the area will change with the widening of the street.

Heidi responded that the widening will be done on Southeast 4<sup>th</sup> Street. Bernhardt Road is the street you turn into the Walmart parking lot from after that sharp corner.

Heidi will have Karen Courtney, the new Code Enforcement Officer, contact the ditch company regarding the weeds.

Emelie stated that she appreciates when members of the public come to express their points of view at a council workshop. After last week's voting, she received a voicemail. She thought of Council Member McGee's comment last week after the variance voting. The applicant was upset and Council Member McGee said the vote has been taken and nothing could be changed. To people who have to unleash their opinion on council members after the fact, if they felt that strongly about it, they should say something before the vote and not unwind after the fact.

- Recognition of Employees

Rick Musson	35 years of service on June 1 <sup>st</sup>	Police Chief
Brian Kline	12 years of service on June 22 <sup>nd</sup>	City Shop
William Brew III	11 years of service on June 7 <sup>th</sup>	Police Officer
Daniel Griffin	8 years of service on June 15 <sup>th</sup>	Police Dispatch

Mayor Mace noted the lengthy service of the employees.

The council workshop adjourned at 7:40 p.m.

Respectfully submitted,



Heidi Kelsey  
Administrative Assistant

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