

City Council Meeting
November 12, 2013

Present: Mayor Rose Hanser, Councilpersons Evan Stewart, Tom Jankowski, John Williams and Lawretta Miller

Also Present: Fire Chief Ryan Reid, Building/Planning Official Jan Morgan, City Clerk/Treasurer Michelle Richards, Police Chief Cory Hert and Public Works Director Bryan Swan

Mayor Hanser called the meeting to order at 7:00 pm. Following the Pledge of Allegiance, City Clerk/Treasurer Richards called the Roll Call.

Consent Agenda:

Councilperson Stewart moved to approve the Consent Agenda. Councilperson Jankowski seconded the motion. No discussion or public comment received. Motion carried with all in favor.

- a. Minutes of 10/22/13 Regular Meeting
- b. Claims Roster 11/7/13

Departmental Reports:

Reports were given by Police Chief Hert, Building/Planning Official Morgan, Fire Chief Reid, Public Works Director Swan and City Clerk/Treasurer Richards.

Mayor's Communications:

Mayor Hanser provided information on the state law regarding rates and charges for municipal utilities. She explained that water, sewer and solid waste are enterprise funds and accounted for separately from funds that are financed primarily from property taxes. She also clarified that construction of the new city shop building has no effect on water and sewer rates since it is paid for out of the general fund, a property tax supported fund.

Public Comment and Participation:

Jim Atchison, 7405 Castle Rock Lake Drive and representing SouthEastern Montana Development Corporation, thanked the City of Colstrip for renewing its membership with SouthEastern Montana Development Corporation and continued support.

Unfinished Business:

Mayor Hanser opened the Public Hearing regarding Water and Sewer Rate Increases at 7:25 pm.

Jim Atchison, 7405 Castle Rock Lake Drive and representing SouthEastern Montana Development Corporation, stated from an economic development standpoint he encourages

the City to continue to invest in public infrastructure. However he is concerned about the large percentage increase proposed and hopes the City has fully researched all the options available.

Greg Koczur, 7446 Castle Rock Lake Drive, hasn't changed his opinion on the proposed water and sewer rate increases since the last public hearing and asked if any council members had considered charging a lower rate during the summer months when people are irrigating their lawns. He mentioned that it is an option for property taxes to be used instead of raising the rates and that the power plant owners would absorb most of the cost since they pay most of the property taxes.

Phillip Baney, 82 Orchard Drive, spoke against the water and sewer rate increases and feels there has to be another way. He wants to know how the City expects people to pay when they don't have the great jobs the Mayor and City Council members have and make good money. He knows what CPRD pays for water to the city and doesn't know what the city's problem is. He stated the trailer court owner increased trailer lot rent the last time the city raised its rates.

Janetta Dudley, 6820 Cimarron Drive, attended a Public Works Committee Meeting regarding the rate increases. She asked about the possibility discussed at that meeting about charging base rates on the lots that the city provides service to but is not being used since this would increase the revenue. She asked the City Council to seriously consider some alternatives.

Dave Massey, 1378 Laramie Circle North, spoke against the rate increases. He is losing almost \$300 per month since retiring due to all of the increases in costs. He compared Colstrip's rates to the City of Bozeman's rates, which are lower.

Jeane Fritz, 1549 Piedmont, is hearing that some people are in a hurry but there is no deadline regarding the rate increases and feels the City should slow down and evaluate it further.

Joe Novasio, 7423 Castle Rock Lake Drive, is opposed to the rate increases and doesn't understand it. He would like to see more information such as costs to operate the systems. He feels there is a lack of information and lack of understanding by the public.

Jack Rosander, 6915 Black Hawk Circle, stated even though he doesn't like the amount of the proposed increase he does support the increase and trusts it is necessary.

Tracey Raymond, 2719 Chisholm, owns six lots but can't afford to have services on all of them. She also has property in Miles City and Colstrip's rates are higher than Miles City. She stated lots of people present are on a fixed income and won't be able to afford the increase.

Joe Oberth, 7439 Castle Rock Lake Drive, supports a reasonable increase in water and sewer rates. He feels 10% would be a reasonable increase.

Mike Esser, 2805 Roundup Court, feels the City probably does need an increase in rates but feels 29% increase is too high. He works for CPRD and stated they will not be watering the parks if these rate increases are approved.

Gary Baisch, 6827 Cimarron Drive, cautioned the City not to rely on people watering their lawns to bring in enough revenue. He previously lived in Great Falls and they had to increase their rates because it rained so much people were not watering their lawns.

Mayor Hanser closed the hearing closed at 7:48 pm.

Councilperson Stewart moved to approve Resolution No. 2013-R20, a resolution to increase the water and sewer rates. Councilperson Miller seconded the motion. Discussion: Councilperson Stewart appreciates the public in attendance. He understands the overwhelming feeling and knows that no one likes an increase. However, the Council has looked at every responsible option and doesn't feel it proper to use property tax dollars to finance water and sewer funds. The City is in violation of their bond covenants and he doesn't see any other way. There have only been two increases in over ten years since the city's incorporation and the City is playing catch up. Councilperson Miller stated the increases aren't a surprise, since the City has been holding meetings for several months. This is the second public hearing held and the process was started in May. She doesn't feel the City should wait any longer and doesn't see any way around it. She doesn't like it either but the City needs to meet its bond covenants and follow state law. Councilperson Williams stated it is a policy issue as to how to fund capital projects. He recommends looking into the INTERCAP loan program to pay off the bond debt. He does feel an increase in rates is warranted but a policy should be developed to help lessen the impact to the water and sewer customers. Councilperson Williams made a motion to amend to only increase the water rates 10% and sewer rates 5% and look at obtaining an INTERCAP loan to pay the bond debt. Councilperson Jankowski seconded the motion. Discussion: Councilperson Stewart stated it is an arbitrary point and the motion made just to appease the public and not a responsible idea. The City has already postponed this once and went back to the committee and discussed other possibilities. Councilperson Miller stated as a resident she doesn't agree with the rates but as a council member she has to be responsible and be in compliance with bond covenants, state law and DEQ requirements. Councilperson Jankowski thanked everyone for the public comment and reminded the public that the information requested is available at City Hall and there are no secrets. The City has held several meetings that are posted and open to the public but very poorly attended. He stated the council has been responsible and looked into every option. Councilperson Williams commented that the City previously has not taken entitlement share money until this year. He would like to pay down the bond debt and remove the burden. Councilpersons Stewart, Jankowski, and Miller voted nay. Councilperson Williams voted in favor. Amendment motion failed. Councilperson Stewart reminded that this resolution delays half of the rate increase until April which gives the city an opportunity to find another way, if there is one, and won't have to go through another round of public notice, hearing, committee meetings, etc which delays implementation another several months. He also stated there is a policy in place to pay the bond debt which is through

proper rates and charges as stated in the bond resolution. Councilpersons Jankowski, Miller and Stewart voted in favor. Councilperson Williams voted nay. Motion carried 3-1.

New Business:

Councilperson Jankowski moved to approve changes to the Public Works Department Position Descriptions. Councilperson Stewart seconded the motion. No discussion or public comment received. Motion carried with all in favor.

Councilperson Jankowski moved to approve the Self Contained Breathing Apparatus (SCBA) purchase request from the Fire Department in the amount of \$105,504.40. Councilperson Miller seconded the motion. No discussion or public comment received. Motion carried with all in favor.

Councilperson Jankowski moved to approve Change Order No. 6 for the City Shop Project in the amount of \$1,325.00. Councilperson Stewart seconded the motion. Discussion: Councilperson Stewart asked about the possibility of withholding payment to the company based on the problems experienced. Mayor Hanser explained the city required a performance bond from the company and the city can make a claim against it for poor construction issues. Motion carried with all in favor.

Councilperson Stewart moved to approve Change Order No. 7 for the City Shop Project in the amount of \$1,615.00. Councilperson Miller seconded the motion. No discussion or public comment received. Motion carried with all in favor.

Administrative Matters:

Councilperson Williams provided information to the Mayor and other council members regarding options available regarding the settlement of protested taxes and a judgment levy.

Adjournment:

Councilperson Jankowski moved to adjourn the meeting. Councilperson Stewart seconded the motion. Mayor Hanser adjourned the meeting at 8:25 p.m.

Michelle Richards, City Clerk/Treasurer