

City Council Meeting
April 12, 2011

Present: Mayor John Williams, Councilpersons Tom Jankowski, Evan Stewart and Rick Harbin

Absent: Councilperson Dan Becker

Also Present: Public Works Director John Bleth, City Clerk/Treasurer Michelle Richards, Building/Planning Official Jan Morgan, Fire Chief Ryan Reid, Attorney Gary Ryder and Police Chief Larry Reinlasoder

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

Consent Agenda:

Councilperson Harbin moved to approve the Consent Agenda. Councilperson Jankowski seconded the motion. No discussion. Motion carried with all in favor.

- a. Minutes of 3/22/11 Regular Meeting
- b. Claims Roster 4/8/11
- c. March Treasurer's Report

Bid Opening:

Carl Jackson of Kadrmas, Lee and Jackson opened and read aloud bids received for the Power Road Bridge Repairs. The following bids were received:

Edward T. Cops Construction	\$257,012.00
COP Construction, LLC	\$227,806.00
Hardrives	\$247,427.03

Departmental Reports:

Department Reports were given by Police Chief Reinlasoder, Building/Planning Official Morgan, Fire Chief Reid, Attorney Ryder, Public Works Director Bleth and City Clerk/Treasurer Richards in addition to written reports provided in Council's packets.

Public Comment and Participation:

Jim Atchison, 7405 Castlerock Lake Drive and representing the SouthEastern Montana Development Corporation, reported that as the regional economic development group one of the things they do is prepare a Comprehensive Economic Development Strategy for the four-county region. Infrastructure and housing needs are a common theme throughout the document. Another planning document SEMDC prepares is an Infrastructure Needs List of

infrastructure needs in the area totaling more than 90 million dollars. Infrastructure projects are very expensive and time consuming but are very important and much needed. The quality of life and business environment is a key factor for people looking to relocate and in the recruitment of businesses. As an advocate for economic development and the business community, Mr. Atchison is always concerned about the increased cost of doing business and encouraged the City Council consider phase-in of the utility rate increases. SEMDC supports the Montana Moose Lease Transfer request that is on the council's agenda tonight and stated business expansion and retention is critical to our small community.

Ted Stimac, 122 Olive, looked at the revised rate increases and commented the city really sharpened their pencil. Mr. Stimac trusts as elected officials the City Council will do the right thing. Mr. Stimac thanked the City Council for addressing the public's concerns and being reasonable; however, he is concerned that with phasing in the rate increases the end result could be more shocking.

Unfinished Business:

Mayor Williams presented Resolution 2011-03, increasing water and sewer rates as proposed by the Public Works Committee. Councilperson Stewart moved to accept the changes to the operating and maintenance costs from the Public Works Committee but proposed to keep the \$45,000 in capital costs cut from the water budget and \$80,000 in the sewer budget and include these in a separate line item outside of the operating and maintenance budget for replacement and depreciation in the water fund and in the sewer fund to repay the cash deficit. Therefore the water base would be set at \$29.74 per month with a \$2.23 variable rate and sewer base rate at \$29.17 per month with \$1.99 variable rate and implement the rate increases in a six-month phase-in plan beginning with 50% at the time of acceptance and 50% after six months. Mayor Williams called for a second to the motion three times. No second was made. Councilperson Harbin asked how long the City Council had to make a decision on the rate increases. City Clerk/Treasurer Richards stated state law requires the council make a decision within 30 days of the public hearing.

Councilperson Harbin moved to approve Resolution No. 2011-03, a resolution increasing water and sewer rates, as presented. Councilperson Jankowski seconded the motion. Discussion: Councilperson Harbin stated the Public Works Committee met and came up with a revised plan even though everyone didn't agree on how to handle the deficit in the sewer fund. Councilperson Harbin feels the city inherited an aging, dilapidated system and had to obtain four revenue bonds to improve the water and sewer infrastructure. Councilperson Harbin knows that Councilperson Stewart would like to see more money put into the infrastructure but Councilperson Harbin suggests that a resolution be adopted requiring the annual review of the enterprise funds rates. Councilperson Harbin knows there is more work to be done but it's not going to be solved tonight or even this year and it's a work in progress and the city is headed in the right direction. Councilperson Stewart objected to the motion as the plans discussed to address the negative cash balance in the sewer fund were figured incorrectly and the committee was unable to meet again to come up with a new plan. Councilperson Stewart does not accept this proposal and feels it's more of a political move to make people happy with a

lower increase but it doesn't even touch the problems the city is facing and is putting a band-aid on the issue. The planning during the past 10 years seems to have only considered each year at a time and not looking ahead to the next year. The depreciation/replacement funding is not adequate and will not solve the problem. Councilperson Stewart's approach is bold and aggressive and it's still not enough to solve the problem but it at least sets a precedent of getting things in order. As far as taking money out of the general fund to take care of the negative cash balance in the sewer fund is foolish especially when the council told the public at their last meeting that the city could not do that. If the city does not set more funds aside for capital improvements and to take care of the deficit the city is going to be in the same spot as it has been. The enterprise funds need to be treated as a business and raise adequate revenues. Councilperson Harbin pointed out that capital wasn't the only reductions made in the budgets; some of the operating and maintenance expenses were reviewed and reduced and the variable rate for the water actually increased. Councilpersons Harbin and Jankowski voted in favor of the motion. Councilperson Stewart voted against. Motion carried.

Councilperson Stewart moved to postpone a decision on the Police Union Contract until the next meeting. Mayor Williams called for a second to the motion three times. No second was made. No other motion was offered after calling for a motion three times.

Mayor Williams stated the Public Safety Committee needs to meet to discuss the Citizen Complaint Process for Police Officers. Councilperson Jankowski is only available to meet in the evenings. Mayor Williams will contact the committee members to set up a meeting.

New Business:

Councilperson Harbin moved to approve transferring the lease for the Montana Moose Espresso from Shane & Chelsea Hensleigh to Jeffrey & Kierstin Shahan acknowledging the lease payment has been prepaid for this year and the parties need to work that out themselves. Councilperson Stewart seconded. No discussion. Motion carried with all in favor.

Councilperson Stewart moved to approve Resolution 2011-R05, approving authorized signers for the city's checking and savings accounts at First Interstate Bank. Councilperson Jankowski seconded the motion. Discussion: Councilperson Stewart asked how the people were chosen and is this something that is redone every year. Mayor Williams explained elected officials are chosen on the basis of availability and is redone as needed. Motion carried with all in favor.

Councilperson Jankowski moved to approve Resolution 2011-R06, approving an amended plat for Lots 23 & 24, Block 7, Amended Plat of Sweetgrass Subdivision. Councilperson Stewart seconded the motion. Discussion: Councilperson Harbin asked if this is similar to what has been done before. Building/Planning Official Morgan confirmed that it is. Motion carried with all in favor.

Mayor Williams called for a motion three times on the Sewer Fund Negative Cash Balance agenda item. No motions were made.

Administrative Matters:

Mayor Williams stated he will place the Police Union Contract on the next City Council agenda. Mayor Williams stated if there are any questions on the contract he welcomed any and is curious as to what the issues are. Councilperson Stewart explained his reason for the motion to postpone is to give the employees time to reconsider forming the union. Councilperson Stewart sees no unity in the employees. It is a pretty basic and standard contract but the reason behind the union was regarding misunderstandings of current policies and procedures. He feels issues of retirement, wages and scheduling could be worked out through the Personnel Committee or meetings between department heads and the Mayor. Mayor Williams stated the group took two votes on whether to form the union and ratified the contract last week. Councilperson Stewart asked if the council members can address the union representatives. City Attorney Ryder suggested Councilperson Stewart submit his comments in writing and they can be forwarded to the union.

Councilperson Harbin explained his problem with the contract is the provision regarding workers' compensation benefits. The goal is to get people back to work but if you make it more worthwhile not to than it'll be more of a challenge to get them back to work. And whatever happens with the union he feels will be given to all the other city employees. The City has already given them 50% of unused sick leave instead of 25%, and no one else does that. The city pays 100% of health insurance worth \$18,000 per year and if they don't take it we put that amount into a flex plan for them. Councilperson Harbin wonders what more can we give and feels that enough is enough. Another issue is the K-9 unit. He feels the drug dog is a luxury, not a necessity. It was proposed by the police department, not the city, and now they want paid extra for it.

Mayor Williams will contact the union representatives to advise them the City Council did not take action on the proposed contract.

City Council went into Executive Session at 8:12 pm to discuss pending litigation. City Council returned from executive session at 8:30 pm.

Adjournment:

Councilperson Jankowski moved to adjourn. Councilperson Becker seconded the motion. Mayor Williams adjourned the meeting at 8:31 pm.

Michelle Richards, City Clerk/Treasurer