

REGULAR COUNCIL MEETING

August 14, 2012
7:00 p.m.

CALL TO ORDER

The Regular Council meeting was held Tuesday, August 14, 2012, in the Council Chambers at City Hall, 17 S. 8th Street, Miles City, Montana. Mayor C. A. Grenz called the meeting to order. Council members present were Dwayne Andrews, Roxanna Brush, John Hollowell, Mark Ahner, Bill Melnik and Sue Galbraith. Council members Jerry Partridge and John Uden were excused.

Also present were City Clerk Becky Stanton, Deputy City Clerk Linda Wildman, Payroll/HR Officer Billie Burkhalter, Police Chief Doug Colombik, City Attorney Jerry Huss, City Planner Dianna Broadie, Public Utilities Director Al Kelm, Grant Administrator Dawn Colton, RSVP Director Betty Vail and Council Recorder Connie Watts.

PLEDGE OF ALLEGIANCE

Mayor Grenz led the council in the Pledge of Allegiance.

APPROVAL OF COUNCIL & COMMITTEE MINUTES

Regular Council Minutes – 7/24/2012

** *Councilperson Galbraith moved to approve the minutes of the Regular Council Meeting of July 24, 2012, seconded by Councilperson Andrews.*

Corrections: Councilperson Ahner - P. 7, under Tongue River Electric Cooperative – the minutes should read that this item was referred to the Public Services Committee, not the Finance Committee.

Councilperson Galbraith noted her name was misspelled on P. 7 under Approval of Claims.

Councilperson Brush noted that on page 3 under Mayor Comments, it should read “Jaycee” Park instead of J.C. Park.

The motion then passed unanimously, 6-0.

Finance Committee – 7/26/12

The **Finance Committee** met July 26, 2012, at 12:00 p.m. in the City Hall Conference Room. Present were Chairperson Mark Ahner and Committee Members Bill Melnik, Roxanna Brush and Jerry Partridge. Also present were Council Members Sue Galbraith and John Uden, Mayor Chris Grenz, City Planner Dianna Broadie, Grant Administrator Dawn Colton, Deputy City Clerk Linda Wildman, Library Director Sonja Woods, Librarian Hannah Nash and Recorder City Clerk Becky Stanton.

Resolution No. 3364: A Resolution to establish procedures for the sale or lease of City lands.

Chairperson Ahner explained that he had asked City Attorney Huss to make changes to the old Resolution, which is reflected in Resolution No. 3364. The above Resolution provides the current lessee, if they are in good standing, an opportunity to renew their lease when it is due without going out to competitive bid. A vacant tract or tracts in default will be let out for competitive bid. It also addresses the sale of City property.

** *Committee Member Partridge moved to recommend to the Council to approve the Resolution, read by title only, and seconded by Committee Member Brush.*

** *Committee Member Brush moved to amend above motion to read under Section 2 that the applicant would pay for an appraisal. After discussion, motion was pulled and a new motion was made by Committee Member Brush*

to amend original motion to read that Council will use language for procedures for appraisal and cost to be similar to the language in the Tire Rama lease, seconded by Council Member Partridge. Motion carried unanimously, 4-0.

** Original motion carried unanimously, 4-0.

Resolution No. 3513: A Resolution Pursuant to §69-7-111 of the Montana Code Annotated, of intent to decrease for two years, then incrementally increase for 13 Years, monthly minimum water rates and monthly average water rates

Chairperson Ahner explained that Mayor Grenz wants to reduce water rates for two years by 6% each year, and then the water rates will increase incrementally by two percent (2%) per year for the next 13 years. The Mayor wanted the public to have some relief after having an increase in sewer rates and in maintenance and lighting districts assessments. Committee Member Partridge wondered if this was not passing a tax from the older people to the younger people. Mayor Grenz explained that this would reduce taxes for two years and then in 13 years, taxpayers would be paying what they are currently paying. He feels this process will give the taxpayers a break for two years and then increases the rates over 13 years. Chairperson Ahner asked Director Kelm if revenues have exceeded what the engineers projected. Director Kelm will have to research the question. Chairperson Ahner asked Director Kelm to have information for the next Council meeting in regard to the impact of lowering water rates on future projects and reserve requirements.

** Committee Member Brush moved to recommend to the Council to approve the Resolution, read by title only, and seconded by Committee Member Melnik. Motion carried 3-1, with Committee Member Partridge voting nay.

Resolution No. 3478 - A Resolution authorizing the City of Miles City to enter into an agreement with Laurence R. Martin for Labor Relations Services

Chairperson Ahner explained when this was on a previous Council agenda; Mayor Grenz pulled it due to union negotiations. Chairperson Ahner is concerned that Mr. Martin may be charging for travel. Committee Member Brush thought that since the union contracts were for six years, the City did not need to have an agreement with Mr. Martin. Chairperson Ahner explained that the City would pay a \$1,000 a month for a retainer and as the Firm provides services to the City, the charges would be credited against the retainer. Committee Member Partridge feels the City needs to go ahead with this agreement. He has been a Council member for 15 years and Mayors and the City seem to get sued. There is expense involved but it is worth it.

Council Member Uden agreed with Committee Member Partridge that the City needs this agreement. He noted that Section 6 states "All other services including negotiations, consultations and other issues involving counseling the City with respect to labor, employment and human resource issues." The City has had a Human Resource person and the City paid for training for said person. If the City is paying the attorney for Human Resource Representation, why does the City need a Human Resource person on board in our City government? That is an additional expense. Chairperson Ahner said that was a good question, but it is probably not relevant today, though he does tend to agree with him after having read this now. It might be another good reason to have this agreement, if in fact the City does not need to have a half time FTE devoted to Human Resource issues. That might be another good reason to adopt this agreement. Council Member Uden said that it might be a good way to offset the \$1,000 a month retainer. Chairperson Ahner agreed that it would.

Committee Member Brush explained that your Human Resource person does a lot more than the lawyers will be able to do. They are not going to be able to file, get the paperwork completed and meet with employees. Council Member Galbraith said she did the math and at 20 hour per week at \$175 per hour, it would cost the City \$3,500 a week for the attorney to do Human Resource person's job. Committee Member Partridge again cautioned the Committee that situations happen and the City will need this agreement. Chairperson Ahner said he may have a solution that might resolve Committee Member Partridge being in favor of signing this agreement, which is to rewrite it to say the City will sign a contract with them at the rates they have asked for, excluding the travel time. The firm can bill the City for the time devoted to City issues rather than pay a monthly retainer of \$1,000 a month. The Mayor requested clarification on what the Finance Committee was wanting. Chairperson Ahner read the contract, Section Six, stating "The Firm shall charge the City the following rates for services performed:

- Services in connection with representation in contested cases, litigation, or other adjudicated issues - \$200.00 per hour."

The City will pay the Firm \$200 per hour for any work that it performs for the City. Chairperson Ahner told the Mayor to ask them about "straight billing" and not a

monthly retainer of \$1000 a month. Committee Member Partridge felt the City had that coverage with the monthly retainer but he will support the other process because the City needs an Attorney. Council person Galbraith asked if the City needs to place a cap on the lodging amount. Mayor Grenz will contact them and let the Committee know the results.

Request for Budget Amendment for Riverside Restrooms Project

Chairperson Ahner explained that the Committee Members had received a memo from Grant Administrator Colton in regards to a request for a budget amendment for the above item. Administrator Colton explained that the memo was a range of costs which shows the budget after all the options have been considered. She is requesting a budget amendment so the project can move forward. Chairperson Ahner verified that the original cost to the City was \$17,667. As the Committees have chosen more options, the costs are increasing. Committee Member Partridge explained that meeting the American Disabilities Act (ADA) requirements increased the costs. He also stated that these items had to be met or the project would have to be abandoned. Administrator Colton mentioned that extending the season for the restroom to be available to the public increased the costs also.

* * *Committee Member Brush moved to recommend to the City Council to approve the increased costs up to \$54,898 for the Riverside Restrooms Project in order for the project to move forward, and seconded by Committee Member Partridge.*

Chairperson Ahner asked that the difference between the increased amount that goes to the Restroom Project, less the original amount of \$17,667 be used to reduce the amount of capital projects designated to the Parks Department.

** *Motion carried unanimously, 4-0.*

Request of Citizens

Library Director Sonja Woods brought some items to the Finance Committee's attention to be considered for next year's budget. For revenue to the Library, the City contributes \$277,928, the County contributes \$38,266.65, and charges for services are \$4,400 and out of that is \$258k for staffs' costs, leaving \$62,377 for the daily operations of the library. The City charges the Library \$18,522 for administrative fees, leaving \$43,855 for daily operations of the library. The Library would like more money to operate next year.

There being no further business, the meeting was adjourned at 12:57 p.m.

** *Councilperson Ahner moved to approve the minutes of the Finance Committee Meeting of July 26, 2012, seconded by Councilperson Brush.*

Corrections: Councilperson Galbraith noted that on Page 2, last paragraph, it should read "\$3,500 per week" for the attorney to do the Human Resource person's job.

The motion then passed unanimously, 6-0.

Public Services Committee – 7/31/2012

The **Public Service Committee** met Tuesday, July 31, 2012, at 6:00 pm in the City Hall conference room. Present were Committee Chairperson Jerry Partridge and Committee Members Sue Galbraith, John Hollowell and Roxanna Brush. Also present were Public Utilities Director Al Kelm, City Planner Dianna Broadie, Mayor C.A. Grenz and Committee Recorder Connie Watts.

Chairperson Partridge called the meeting to order.

TONGUE RIVER ELECTRIC COOPERATIVE, INC (TRECO): Easement Request along Horizon Parkway

Public Utilities Director Kelm explained that a gentleman from TRECO talked with him about their desire to put a power line along Horizon Parkway. There are no utility easements there right now. The easement would be 80 feet from Highway 59 to the end of Horizon Parkway. Everything would be off the street and underground. There should be no adverse effect to traffic or to the City. TRECO wishes to upgrade their existing customers and provide service to the new addition at Southgate.

** *Committee Member Partridge moved to recommend approval of the easement, seconded by Committee Member Brush and passed unanimously, 4-0.*

RESOLUTION 3515

RESOLUTION NO. 3515: A Resolution, Pursuant To Title 7, Chapter 2, Part 46 MCA, Annexing Certain Lands To The City Of Miles City, Montana, By Petition Of The Landowner , To-Wit: Tract 1 Of Certificate Of Survey No. 49207 In Section 2, Township 7 North, Range 47 East, Custer County, Montana (Commonly Known As The Super 8 Motel Property)

City Planner Broadie explained that the landowner has requested this annexation. The business (Super 8 Motel) is already connected to City sewer, there are existing fire contracts on both sides of the property, and the Police Department does not anticipate any problems.

** *Committee Member Hollowell moved to recommend approval of Resolution 3515, seconded by Committee Member Partridge and passed unanimously, 4-0.*

RESOLUTION 3516

RESOLUTION NO. 3516: A Resolution Of Intent To Annex Certain Contiguous Government Lands To The City Of Miles City, Montana, To-Wit: That Portion Of The Right Of Way Of Montana State Highway 59 South Commencing At The Intersection Of Such Highway With The Southerly City Limit Line Of The City Of Miles City On Highway 59 South, Thence Southerly, The Full Width Of Such Right Of Way, To That Point At Which The Southerly Boundary Line Of Tract 1 Of Certificate Of Survey 49207 In Section 2, Township 7 North, Range 47 East, Custer County, Montana (Commonly Known As The Super 8 Motel Property) Intersects The Easterly Boundary Of Such Right Of Way, Providing For Notice Thereof, And Providing For A Public Hearing hereon

** *Committee Member Hollowell moved to recommend approval of Resolution 3516 seconded by Committee Member Partridge and passed unanimously, 4-0.*

Request of Citizens

There were no requests of citizens.

Adjournment

** *Having no more business to come before the Committee, Committee Member Hollowell moved to adjourn the meeting, seconded by Committee Member Brush and passed unanimously, 4-0. The meeting was adjourned at 6:10 p.m.*

** *Councilperson Brush moved to approve the minutes of the Public Services Committee Meeting of July 31, 2012, seconded by Councilperson Galbraith. The motion passed unanimously, 6-0.*

Flood Control Committee Meeting – 8/1/2012

The **Flood Control Committee** met Wednesday, August 1, 2012, at 6:00 p.m. in the City Hall Conference Room. Present were Committee Chairperson John Hollowell and Committee Members Susanne Galbraith, Jerry Partridge and Dwayne Andrews. Also present were Floodplain Administrator Sam Malenovsky, Public Utilities Director Al Kelm, Mayor C.A. Grenz and Recorder Billie Burkhalter.

1. Discussion with Kardmas Lee & Jackson (KLJ) on proposed dike project

Representatives from KLJ spoke to the Committee concerning the possibility of working with the City on getting Miles City's dike certified and eliminate paying for flood insurance. KLJ has worked with several cities and towns on similar situations. The representatives explained they have extensive experience working with FEMA. They recommend that the first step of the Flood Control Committee is to establish a starting point and to identify what the project is. This could be very preliminary in aspects of costs, but would establish the scope of work as far as the engineering and construction. KLJ, with the assistance of their Government Affairs Specialist, then could aid with the funding aspects of the project.

Floodplain Administrator Malenovsky explained to the Committee that certifying the levy is a very long and expensive process and people will still be required to pay for flood insurance until the dike is certified by FEMA. Administrator Malenovsky stated there are other options; one is to review the flood insurance study that was produced by the Army Corp of Engineers. That study showed various errors that were pointed out by the previous Flood Plain Task Force. This may result in a

reduction to the flood plain, as well as greatly reduce in size the base flood elevation areas.

After further discussion, KLJ agreed to produce a preliminary analysis report on the dike and flood insurance study.

2. Discussion on future plans on dike system

Committee member Andrews felt that this issue had been significantly covered in previous discussion.

3. Requests of Citizens

There were no request of Citizens.

4. Adjournment

** *Councilperson Galbraith moved to adjourn the meeting, seconded by Councilperson Andrews and passed unanimously, 4-0.*

There being no further business, the Committee adjourned at 7:50 p.m.

** *Councilperson Galbraith moved to approve the minutes of the Flood Control Committee Meeting of August 1, 2012, seconded by Councilperson Melnik and passed unanimously, 6-0.*

SCHEDULE MEETINGS

Flood Control Committee: Wednesday, August 22, @ 6:00 p.m.

Planning Committee: Tuesday, August 21, @ 6:00 p.m.

Special Council Meeting: Monday, August 27, @7:00 p.m.

regarding changing the form of the airport from an Airport Commission to an Airport Authority

REQUEST OF CITIZENS & PUBLIC COMMENT

Mike Coryell, Director, Miles City Economic Development – Jailhouse Assessment Funding: Mr. Coryell spoke to the Council on some issues regarding the Custer County jail facility. The Economic Development Board formed a subcommittee, the Economic Planning Committee, to address issues and concerns this community may be facing with possible growth. The idea was that they could possibly facilitate some research and bring some information and items of concern to the City Council and/or the County Commissioners.

This non-political committee is made up of members of the City Council, the County Commissioners, planning boards for both agencies, a State Legislator, Ft. Keogh, Chamber of Commerce, etc. Law enforcement being one of the issues considered, Police Chief Colombik and Sheriff Harbaugh were invited to address the committee regarding some of their issues and concerns. The deteriorating condition of the jail was one of the primary concerns expressed.

Mr. Coryell presented a letter from the County Commissioners authorizing the Miles City Economic Development committee to be a subcommittee of Custer County Commissioners for the purpose of working in conjunction with the Custer County Sheriff in order to have an assessment of jail services conducted in Custer County. The assessment was estimated to cost from \$50,000 to \$80,000, possibly more. The Commissioners have pledged \$10,000 to this assessment funding. Matching funds will also be sought, as well as grants and Coal Board monies.

Mr. Coryell said he is here to request a commitment from the City Council of \$10,000, which will provide \$20,000 matching funds. They anticipate \$35,000 from a Coal Board grant and \$25,000 from the Big Sky Trust Fund. Because the impact on both the City and County would be

substantial if the jail were to be closed down, the Economic Development committee considers this a community issue.

Mayor Grenz referred this issue to the Finance Committee.

Betty Vail, RSVP Director – Mayor Grenz asked Ms. Vail for her name and address: 217 N. Prairie. She wanted to publically thank the City Clerk's office – Becky, Linda, Connie and Billie – for the efficient and helpful way in which they handled her difficult budget. She has run into many issues and, since Becky has taken over the Clerk's position, she has been able to resolve those issues. The largest issue was that the wages need to be paid non-federally, which had not previously been done, but is now being done correctly. She also commended the Clerk's office for being very cooperative in effectively closing out her fiscal year, which runs on a different fiscal year than the City's.

PROCLAMATIONS

Christopher Bogner Day: August 9th

Cpl. Christopher Bogner, of Miles City, was wounded by an IED while serving our country in Afghanistan during his tour of duty with the United States Marine Corp. As a tribute to Chris and as recognition to all other wounded military men and women who serve our country, a proclamation designating Chris's birthday, August 9th, as Christopher Bogner Day in Miles City was presented.

Mayor Grenz read the proclamation at the meeting and proclaimed August 9th as Christopher Bogner Day in Miles City.

STAFF REPORTS

DAWN COLTON, Grant Administrator – Update on Riverside Restroom Project: Administrator Colton is waiting to hear from the Federal Highway Administration, which makes the appropriation. Jacquelyn Smith at that agency contacts the FHWA for updates every day. When Administrator Colton hears from the FHWA that the project has been approved, the Invitation to Bid will be published in the paper. She is already working on that document.

AL KELM, Public Utilities Director – Update on Fire Door for Upstairs: He is still waiting to get some contact numbers to try to find an exterior fire escape. He has contacted Fire Chief Dale Berg to gather some smoke detectors for City Hall on all three floors.

Update on 1911 Riverside Park Water Tank Removal: The top of the tank is already off and the crane will be here Thursday morning. They hope to have the work completed by Saturday.

Update on Strevell Street Project: He needs to send back some revisions to DEQ that will have to be made on the water line project. It will then go back to the DEQ a second time for revisions. A bid package will be put together, bids requested, and the City could probably get started yet this year. If winter comes early, however, that would mean Strevell might be torn up all winter. He feels it would be in the best interest of the City to go to bid this winter, give the contractors plenty of time to look over the project and submit a bid. He would do a bid opening early 2013, get the contract awarded and they could start working as soon as the frost is out of the ground.

Update on the Swimming Pool: So far this year we have received \$1,875 in donations between the ROCKS Program and the free swimming. We have used up \$1,364 through the free swimming, with 1,200 people having taken advantage of the free swimming. \$6,000 has also been received in swimming fees, even though we had a late start this year.

On the Rivenes/Laird Aquatic Center sign, Ms. Sigrid Laird approved the sign, a photo of which was circulated among the Council members for their review. He will get some prices and will get started on the construction of it. He said he appreciates the Council's support and the community's support for the pool.

He was asked about the possibility of putting a roof on the dressing rooms. Director Kelm would like to have more discussion on this before any decisions are made.

BECKY STANTON, City Clerk – Mayor Grenz asked City Clerk Stanton to state her name: Becky Stanton, 333 Arrowhead Road. City Clerk Stanton had previously distributed a fact sheet on the department reorganization through email or their mailboxes at City Hall. She asked the Council to please stay the reorganization, which would cost the City an additional \$26,000 next fiscal year. She said she is willing to work towards a full-time Deputy Clerk, as long as the position bidding process and the Personnel Policy rules are followed.

CITY COUNCIL COMMENTS

Councilperson Ahner

-- Thanked Dawn Colton and the City Crews for the installation of the second new restroom at Spotted Eagle.

-- Asked the Police Chief if his department could make note of some of the intersections where visibility is obscured by brush and/or tree limbs. He mentioned Pleasant & 10th and Stacy & Leighton, for example.

-- Was contacted by Councilperson Uden on Friday – he asked if Ahner would convey to the Council that he would be gone for longer than 10 days.

** *Councilperson Ahner moved to approve an absence of greater than 10 days for Councilperson Uden, seconded by Councilperson Hollowell and passed unanimously, 6-0.*

Councilperson Andrews

-- Received a call regarding properties that are going to be sold for delinquent taxes, some of which are located close to the dike. He thought it might be worth considering some of these properties for purchase in anticipation of dike improvements, which could give the City some property for not a lot of money.

-- Noted that he was going to be on fire duty for 14 days and has no idea if he is going to be here. Just giving the Council a heads-up in case he has to be gone unexpectedly.

-- Said that he agrees with City Clerk Becky Stanton. He has visited many times and has watched how she runs her office. It is a cohesive office, the people get along and they are extremely hard working. He feels it is important for the Council to recognize that. He stated that any reorganizing should be done with Becky in charge of it. She's running that office, knows her people's strengths and the seasonal work loads. He also noted that we have additional expenses coming up to the tune of \$50,000 or more.

-- Was looking at all the resolutions on the agenda, and would like to group a lot of these together in one motion, as many of them address Lighting & Maintenance Districts for this fiscal year.

Councilperson Hollowell

-- Noted that his family and he have used the pool quite a bit this summer. He feels it looks better than it has ever looked, and wished to commend those responsible for that. The water is very clear, the kids love it.

-- Spoke about the Clerk's office reorganization. He mentioned the earlier promise wherein the Mayor asked the Council to be good stewards of the citizen's tax dollars, and he feels the council would not be doing that if it were to spend additional tax dollars for something that is already being done. He agrees with City Clerk Stanton, in that it would not be financially responsible to spend \$26,000 more to achieve the same results.

Deputy Clerk Wildman, in response to other discussion, clarified that she has been a working retiree for four years. The only reason she had stayed so long was to help train new personnel in the Clerk's office. City Clerk Stanton is the second city clerk to be hired in those four years, and has only been in that position a year and a half.

Councilperson Melnik

-- Said he was approached by two individuals from the Range Riders Museum who asked if the City would be interested in donating to the museum an old walk-in cooler located behind the old Fish & Game building.

Director Kelm spoke to this issue, saying the old cooler is of no use to the City. He also noted that the Town of Terry inquired if the City would be interested in donating the old snowplow vehicle that is sitting at the airport. The Town of Terry could use it for its airport. He noted that the snowplow was donated to our airport, and we have no use for it any more. He will visit with the Airport Manager about this.

MAYOR COMMENTS

City Attorney request for authorization to employ Erika Griffith as Legal Intern. City Attorney Huss said Ms. Griffith was employed by him last summer, has finished law school, taken the bar exam, and is waiting for the results of that exam. He mentioned she has already argued in front of the Ninth Circuit Court and won her argument in that case.

She is currently working for him in his office, and will become permanent as soon as she passes the exam. She will be doing routine matters for the City; this arrangement will require no change in the budget.

Mayor Grenz asked for a consensus of the Council – the Council approved of this arrangement by consensus.

PUBLIC HEARINGS

None

OLD BUSINESS

Decision on Sewer Rate Increase

** *Councilperson Ahner moved to approve the Decision as to the Sewer Rate Increase, seconded by Councilperson Melnik. After discussion and on roll call vote, the motion passed unanimously, 6-0.*

RESOLUTION 3364: A Resolution Establishing Procedures for the Sale or Lease of City Lands

** *Councilperson Ahner moved to approve the resolution by title only, seconded by Councilperson Hollowell. After brief discussion and on roll call vote, the resolution passed 5-1, with Councilperson Andrews voting no.*

RESOLUTION 3513: A Resolution, Pursuant To §69-7-111 Of The Montana Code Annotated, Of Intent To Decrease For Two Years, Then Incrementally

Increase For 13Years, Monthly Minimum Water Rates And Monthly Overage Water Rates, And Providing For Municipal Rate Hearing Thereon

** *Councilperson Brush moved to approve the resolution by title only, seconded by Councilperson Andrews.*

During discussion, Doug Leidholt, 100 Prima Vista Drive, expressed his opposition to this water rate decrease. He understands the reason for trying to give the people a break, with the sewer rate increase now in effect, but he is concerned that it just pushes higher rates into the future. He also feels the money is needed for infrastructure and, by this decrease, the money won't be increasing in the water fund for at least 8 years. Sue Galbraith also expressed concern about decreased revenues for the water department.

On roll call vote the motion passed unanimously, 6-0.

RESOLUTION NO. 3515: A Resolution, Pursuant To Title 7, Chapter 2, Part 46 MCA, Annexing Certain Lands To The City Of Miles City, Montana, By Petition Of The Landowner, To-Wit: Tract 1 Of Certificate Of Survey No. 49207 In Section 2, Township 7 North, Range 47 East, Custer County, Montana (Commonly Known As The Super 8 Motel Property)

** *Councilperson Hollowell moved to approve the resolution by title only, seconded by Councilperson Melnik. After brief discussion and on roll call vote, the resolution passed unanimously, 6-0.*

RESOLUTION NO. 3516: A Resolution Of Intent To Annex Certain Contiguous Government Lands To The City Of Miles City, Montana, To-Wit: That Portion Of The Right Of Way Of Montana State Highway 59 South Commencing At The Intersection Of Such Highway With The Southerly City Limit Line Of The City Of Miles City On Highway 59 South, Thence Southerly, The Full Width Of Such Right Of Way, To That Point At Which The Southerly Boundary Line Of Tract 1 Of Certificate Of Survey 49207 In Section 2, Township 7 North, Range 47 East, Custer County, Montana (Commonly Known As The Super 8 Motel Property) Intersects The Easterly Boundary Of Such Right Of Way, Providing For Notice Thereof, And Providing For A Public Hearing Thereon

Mayor Grenz complimented the City Planner, as the City has had no annexations for a long time.

** *Councilperson Brush moved to approve the resolution by title only, seconded by Councilperson Melnik. After brief discussion and on roll call vote, the resolution passed unanimously, 6-0.*

DISCUSSION on Building Inspector Contract

Mayor Grenz asked the Council if they wished to allow the Building Inspector to continue to work without a contract, as the proposed contract has not been signed.

City Attorney Huss said a new contract had been presented, but had never been signed. He inquired of Patrick Begley, the Building Inspector's attorney who was in the audience, if it was his opinion that the old contract automatically renewed for 2012.

Mr. Begley stated his client did not understand why a new contract with different terms had been presented so late. Although the old contract expired

June 30, 2012, he has been performing the duties and being compensated and has not been terminated.

After extensive discussion, Mr. Begley said he would visit with his client and then get in touch with City Attorney Huss and present to him his client's decision on the proposed contract.

RESOLUTION NO. 3519: Bond Resolution Relating to \$1,810,000 Sewer System Revenue Bonds (DNRC Water Pollution Control State Revolving Loan Program) Consisting of \$300,000 Subordinate Lien Taxable Series 2012A Bond and \$1,510,000 Series 2012B Bond

*** Councilperson Ahner moved to approve the resolution by title only, seconded by Councilperson Melnik. After brief discussion and on roll call vote, the resolution passed unanimously, 6-0.*

RESOLUTION NO. 3520: A Resolution Authorizing The City Of Miles City To Enter Into A Construction Agreement With Williams Brothers Construction, LLC, A Washington Limited Liability Company For Construction Of The Schedule II Wastewater System Improvements (Effluent Building)

*** Councilperson Brush moved to approve the resolution by title only, seconded by Councilperson Melnik. On roll call vote, the resolution passed unanimously, 6-0.*

RESOLUTION NO. 3521: A Resolution Authorizing The City Of Miles City To Enter Into A Construction Agreement With Dick Anderson Construction, Inc., A Montana Corporation, For Construction Of The Schedule I Wastewater System Improvements (Haynes Avenue Lift Station)

*** Councilperson Galbraith moved to approve the resolution by title only, seconded by Councilperson Brush. On roll call vote, the resolution passed unanimously, 6-0.*

Councilperson Brush then requested a recess. The meeting was recessed for approximately ten minutes.

BID AWARDS

None

NEW BUSINESS

Resolution No. 3524: A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 165 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2012-2013.

Resolution No. 3525: A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 167 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2012-2013.

Resolution No. 3526: A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 171 To Defray The Cost Of Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2012-2013

Resolution No. 3527: A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 172 To Defray The Cost Of Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2012-2013.

Resolution No. 3528: A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 195 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2012-2013

Resolution No. 3529: A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 202 To Defray The Cost Of Leasing, Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2012-2013.

Resolution No. 3530: A Resolution Levying And Assessing A Tax Upon All Property In Special Improvement Lighting District No. 173 To Defray The Cost Of Maintenance And Electrical Current In Said Special Improvement Lighting District And Authorizing And Directing Payment Therefore, For The Fiscal Year 2012-2013.

Resolution No. 3531: A Resolution Levying And Assessing A Tax Upon All Of The Property Within Maintenance District No. 204 To Defray The Cost Of Maintaining The Improvements In The Said Maintenance District No. 204 For The Fiscal Year 2012-2013.

Resolution No. 3532: A Resolution Levying And Assessing A Tax Upon All Of The Property Within Maintenance District No. 205 To Defray The Cost Of Maintaining The Improvements In The Said Maintenance District No. 205 For Fiscal Year 2012-2013.

RESOLUTION NO. 3533: A Resolution Levying And Assessing A Tax Upon All Of The Property Within Maintenance District No. 207 To Defray The Cost Of Maintaining The Improvements In The Said Maintenance District No. 207 For Fiscal Year 2012-2013

Mayor Grenz reminded the Council that there will be a public hearing on these resolutions at the next council meeting.

*** Councilperson Andrews moved to approve Resolutions 3524 through 3533, seconded by Councilperson Melnik and, on roll call vote, passed unanimously, 6-0.*

RESOLUTION NO. 3534: A Resolution Pursuant To §2-9-212 Of The Montana Code Annotated, Authorizing A Permissive Medical Levy For FY 2012-2013 To Fund Group Health Insurance Premium Contributions By The City And Providing For Hearing Thereon

*** Councilperson Ahner moved to approve the resolution by title only, seconded by Councilperson Andrews.*

Councilperson Hollowell asked why we were increasing our levy from 7 last year to almost 21 this year. Councilperson Ahner replied that, although we were authorized 18 mills last year, we reduced it to 7. This year we are proposing to use the maximum amount (\$141,267.92). The State gives us an inflation adjustment each year – last year it was .72%. This year it is 1.2%. Therefore, we felt we should use the full amount allowed for the Permissive Medical Levy.

After discussion and on roll call vote, the resolution passed unanimously, 6-0.

RESOLUTION NO. 3535: A Resolution Pursuant To 15-10-203 MCA Authorizing The Budgeting Of An Increased Amount Of Ad Valorem Tax Revenues In FY 2012-2013 In Excess Of Property Tax Revenues For The Prior Fiscal Year And Providing For Public Hearing Thereon.

*** Councilperson Brush moved to approve the resolution by title only, seconded by Councilperson Ahner. On roll call vote, the resolution passed unanimously, 6-0.*

RESOLUTION NO. 3536: A Resolution Designating A Loading Zone On The North West Corner Of Washington Street At Its Intersection With Eighth Street, And Granting A Permit Therefore To Ed Martin, And Authorizing The Placement Of Loading Zone Signs At Such Location

*** Councilperson Hollowell moved to approve the resolution by title only, seconded by Councilperson Brush.*

It was noted that the fee for the sign is \$72 per calendar year.

After discussion and on roll call vote, the resolution passed unanimously, 6-0.

DISCUSSION: Barrie Matthews Request to Purchase City Property Adjacent to Big Sky Smile Center

Mr. Matthews had contacted Councilperson Ahner about this issue. Councilperson Ahner told him this issue would not be addressed until Resolution 3364 dealing with the sale or lease of City lands had been passed. His issue would then be placed on the agenda of a Finance Committee meeting in September.

RESOLUTION NO. 3538: A Resolution Authorizing The City Of Miles City To Enter Into An Easement Agreement With Tongue River Electric Cooperative For An Electric Line Along Horizon Parkway

*** Councilperson Galbraith moved to approve the resolution by title only, seconded by Councilperson Melnik. After brief discussion and on roll call vote, the resolution passed unanimously, 6-0.*

Budget Amendments to the FY12/13 Preliminary Budget

*** Councilperson Ahner moved to adopt the 10 budget amendments, seconded by Councilperson Melnik. After brief discussion and on roll call vote, the budget amendments were adopted by unanimous vote, 6-0.*

Discussion: Lease Agreement for the grazing land by Waste Water Treatment Plant - Duane & Jane Bundy

Director Kelm said the Bundys have leased the land in the past. The grazing helps keep the weeds down, which is advantageous to the City.

** *Councilperson Ahner moved to refer this item to the Finance Committee, seconded by Councilperson Melnik and passed unanimously, 6-0.*

Zone Change: Lot F-1, Horizon Park Subdivision; Roger Lothspeich – No Recommendation from Zoning Commission

City Planner Broadie explained that Mr. Lothspeich had anticipated selling the land to a company that was going to erect a multi-family dwelling on the property, which was why he had submitted a zone change. That deal subsequently fell through, but Mr. Lothspeich never did come in and formally withdraw his zone change application. He has since decided to erect a building for his new Bobcat dealership on that property, which means the zoning would have to remain as is in order to be in compliance. The Zoning Commission, therefore, simply gave no recommendation on this application. City Planner Broadie recommended a motion and vote by the Council to deny the zone change application, which would allow the zoning to remain unchanged.

** *Councilperson Hollowell moved to deny the zone change, seconded by Councilperson Melnik and, on roll call vote, passed unanimously.*

Approval of July Claims

** *Councilperson Brush moved to approve the July, 2012 claims, seconded by Councilperson Ahner. Councilperson Hollowell asked why some repairs were going to the Ford dealer when we have our own mechanic. Police Chief Colombik replied that sometimes our mechanic is backed up and we have to turn somewhere else for those repairs.*

Councilperson Brush also questioned the \$7500 to A-1 Concrete. Director Kelm explained it was for replacing the concrete in the alley behind Stockman Bank and splitting the cost with them. The funds were in the budget; Director Kelm said the City got a really good deal – the alley actually belongs to the City and would normally have to shoulder the cost of the entire repair/replacement.

After discussion the motion passed unanimously, 6-0.

ADJOURNMENT

** *Councilperson Ahner moved to adjourn the meeting, seconded by Councilperson Brush and passed unanimously, 6-0. The meeting was adjourned at 9:35 p.m.*

C.A. GRENZ, Mayor

Connie L. Watts, Council Recorder